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LEGISLATIVE HISTORY

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Public Law 548--79th Congress

Chapter 671--2d Session

H. J. Res. 371

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PRICE CONTROL EXTENSION ACT OF 1946. Continues the Price Control and Stabilization Acts until June 30, 1947, in modified form. Requires the President, by Jan. 15, 1947, to recommend any necessary legislation to establish policies to supplement price control. Requires the President, by April 1, 1947, to report to Congress any price controls which will be necessary after June 30, 1947. Requires the Price Administrator, by December 31, 1946, to decontrol non-agricultural commodities not important to business or living costs and to provide for prompt removal of controls when supply and demand are balanced. Requires the Secretary of Agriculture, on the first day of the first month beginning over 30 days after enactment, to certify each agricultural commodity in short supply, and to continue certifications thereafter; and provides that no ceiling shall be applicable to such commodities after that date unless so certified. Requires the Secretary, by December 31, 1946, to recommend removal of ceilings on all agricultural commodities not important to business or living costs, and requires the Price Administrator to carry out these recommendations. If an agricultural commodity later is short in supply, permits the Secretary to provide for re-control with consent of the Price Decontrol Board. Provides that the Secretary shall not be under control of any appointive official or agency. Prohibits ceilings on agricultural commodities unless they were in existence before April 1, 1946. Prohibits ceilings on poultry or eggs or their food or feed products, or tobacco or its products, except that after August 20, ceilings may be reestablished with approval of the Price Decontrol Board. Prohibits ceilings on livestock, milk, or their food or feed products, cottonseed or soybeans or their food or feed products, grains under the Grain Standards Act or their feed products, prior to August 21, 1946; requires the Board to hold hearings on whether these products shall be regulated and to decide the matter under certain conditions. Authorizes the Board to decide whether subsidies shall be continued. Requires that ceilings on these commodities shall be sufficient to return to handlers saw-material cost, conversion of distribution cost, and a reasonable profit. Provides for petitions to the Secretary by industry committees regarding agricultural commodities, requires prompt consideration of such petitions, and permits appeals to the Board. Permits subsidies during the fiscal year 1947 for noncrop programs, 1946 crop program operations and 1947 drop program operations relating to sugar, flour, etc. \$869,000,000, with provisions for gradual reductions. Continues rent control. Provides that this act shall not limit the Veterans' Emergency Housing Act. Includes sea food and its products as agricultural commodities. Provides that, in the case of softwood logs and lumber, ceilings shall permit producers of at least 90% of production to recover costs. Limits establishment of fabrics ceilings. Requires ceilings to return to an industry 1940 profits, in general. Authorizes the Secretary to allocate feed to shortage areas. Permits wheat producers a choice as to the date on which prices are determined in connection with forced sales.

INDEX AND SUMMARY OF HISTORY ON H. J. RES. 371.

- Feb. 18, 1946 Hearings: House, H. R. 5270, Vol. I and II.
(These hearings were held in connection with H. R. 6042
which was vetoed by The President, June, 29, 1946)
- April 15, 1946 Hearings: Senate, S. 2028. Vol. I and II.
(These hearings were held in connection with H. R. 6042
which was vetoed by The President, June, 29, 1946)
- June 29, 1946 H. J. Res. 371 introduced by Rep. Spence and was refer-
red to the House Committee on Banking and Currency.
Print of the Resolution as introduced.
- July 1, 1946 House Rules Committed reported House Res. 689 for the
consideration of H. J. Res. 371 by the House, since the
Committee on Banking and Currency has not had an oppor-
tunity to meet and report on the Resolution. House
Report 2444.
- H. J. Res. 371 debated in the House and passed without
amendment.
- July 3, 1946 H. J. Res. 371 was referred to the Senate Committee on
Banking and Currency. Print of the Resolution as refer-
red.
- July 4, 1946 H. J. Res. 371 reported by the Senate Committee on
Banking and Currency with an amendment. No Report sub-
mitted. Print of the Resolution as amended.
- July 5, 1946 Senate debate began. Amendments proposed by Senators
McCarran, Taft, and Wherry. Prints of the amendments.
- July 8, 1946 Senate debate continued. Amendments proposed by Senators
Moore, Russell and Thomas. Prints of the amendments.
- July 9, 1946 Senate debate continued. Amendments proposed by Senators
Eastland, Hawkes, Knowland, O'Daniel, and Reed. Prints
of the amendments.
- July 10, 1946 Senate debate continued. Amendments proposed by Senators
Moore, Robertson and Taft. Prints of the amendments.
- July 11, 1946 Senate debate continued. Amendments proposed by Senators
Capehart, Johnston, Pepper, and Wherry. Prints of the
amendments.
- July 12, 1946 Senate debate concluded. Passed Senate with amendments.
Print of the Resolution with the amendments of the
Senate. Senate conferees appointed.

July 13, 1946. House Rules Committee reported H. Res. 707 for the consideration of H. J. Res. 371 and to disagree to Senate amendments. House Report 2517.

July 16, 1946 Further discussion by the House and Conferees appointed.

July 22, 1946 House received Conference Report. House Report 2629.

July 23, 1946 House agreed to Conference Report.

July 24, 1946 Senate agreed to Conference Report.

July 25, 1946 Approved. Public Law 548.

House Document 729. Message from the President of the United States transmitting his approval of H. J. Res. 371.

79TH CONGRESS
2D SESSION

H. J. RES. 371

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 1946

Mr. SPENCE introduced the following joint resolution; which was referred to the Committee on Banking and Currency

JOINT RESOLUTION

Extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That section 1 (b) of the Emergency Price Control Act of
4 1942, as amended, is amended by striking out "June 30,
5 1946" and substituting "July 20, 1946".

6 SEC. 2. Section 6 of the Stabilization Act of 1942, as
7 amended, is amended by striking out "June 30, 1946" and
8 substituting July 20, 1946".

9 SEC. 3. The last paragraph of section 2 (e) of the
10 Emergency Price Control Act of 1942, as amended by the

1 Stabilization Extension Act of 1944, shall not apply with
2 respect to operations of the Commodity Credit Corporation
3 and the Reconstruction Finance Corporation until July 20,
4 1946: *Provided*, That no new subsidy or purchase and sale
5 operations shall be undertaken under the authority of this
6 section, and no change shall be made in the basis of any
7 operations existing on June 29, 1946, for which funds are
8 made available under this section which will increase the
9 rate of any subsidy or the rate of loss incurred with respect
10 to any commodity.

11 SEC. 4. The provisions of this joint resolution shall take
12 effect as of June 30, 1946, except as to offenses committed
13 subsequent to June 30, 1946, and prior to the date of the
14 enactment of this joint resolution, and no suit, action, or
15 prosecution shall be instituted with respect to any such
16 offenses.

79TH CONGRESS
2d Session

H. J. RES. 371

JOINT RESOLUTION

Extending the effective period of the Emergency
Price Control Act of 1942, as amended, and
the Stabilization Act of 1942, as amended.

By Mr. SPENCE

JUNE 29, 1946

Referred to the Committee on Banking and Currency

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Legislative Reports and Service Section
(For Department staff only)

Issued July 2, 1946
For actions of July 1, 1946
79th-2nd, No. 128

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HIGHLIGHTS: House passed measure to continue price control until July 20. Rep. Rich objected to TVA fertilizer-plant provision in Government corporations appropriation bill. House committee reported social security bill. Rep. Flannagan tried to get concurrency in Senate amendments to Land Bank Commissioner loans bill, but withdrew request at Rep. Martin's request. Senate conferees appointed on Coolidge farm-credit bill. House committee reported S. 1236, mineral-leasing bill. Sens. Kilgore and Smith discussed whether USDA research should be considered in connection with National Science Foundation bill.

HOUSE

1. PRICE CONTROL. Passed without amendment H. J. Res. 371, to continue the Price Control and Stabilization Acts until July 20, 1946, and to provide that Sec. 2 (e) of the Price Control Act, restricting subsidies, shall not apply to CCC and RFC operations until July 20, except that no new subsidy or purchase and sale operations shall be undertaken under the authority of this section and no change shall be made in the basis of any operations existing on June 29, 1946, for which funds are made available under this section which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity; (by a 283-61 vote (pp. 8175-204)). Rejected the following amendments: By Rep. Dirksen, Ill., to continue these Acts until July 10, 1946; by an 83-166 vote (pp. 8197-9). By Rep. Smith, Va., to continue the Acts until Sept. 1, 1946 (pp. 8198-9). By Rep. Baldwin, N. Y., to continue the Acts until Jan. 20, 1947; (by an 82-168 vote (pp. 8199-200)).
2. GOVERNMENT CORPORATIONS APPROPRIATION BILL. Rep. Whitten, Miss., asked for appointment of House conferees on this bill, H. R. 6777, but Rep. Rich, Pa., objected because Rep. Whitten would not agree to try to bring the TVA fertilizer-plant item back in disagreement (pp. 8174-5).
3. LABOR-FEDERAL SECURITY APPROPRIATION BILL. Reps. Hare, Tarver, Rooney, Neely, Engel of Mich., Keefe, and Andersen were appointed conferees on this bill, H. R. 6739 (p. 8175). Senate conferees were appointed June 29.
4. WAR DEPARTMENT MILITARY APPROPRIATION BILL. Received the conference report on this bill, H. R. 6837 (pp. 8205-6).

5. SOCIAL SECURITY. The Ways and Means Committee reported without amendment H. R. 6911, to amend the Social Security Act and the Internal Revenue Code (H. Rept. 2447)(p. 8207).
6. MINERALS. The Public Lands Committee reported with amendments S. 1236, to promote the development of oil and gas on the public domain (H. Rept. 2446)(p. 8207).
7. FARM CREDIT. Rep. Flannagan, Va., asked for concurrence in the Senate amendments to H. R. 6477, to continue Land Bank Commissioner loans, but withdrew the request temporarily at the suggestion of the minority leader (p. 8206).

SENATE

8. FARM CREDIT. Sens. Thomas (Okla.), Russell, Stewart, Capper, and Aiken were appointed conferees on H.R. 5991, the Cooley farm-credit bill (p. 8133). House conferees have not yet been appointed.
9. PRICE CONTROL. Sen. Barkley, K., inserted the President's and Sen. Taft's (Ohio) radio addresses on the price-control continuation bill (p. 8140-2).
Sen. Capper, Kans., inserted a Wichita (Kans.) C of C telegram favoring H.R. 6042, the price-control bill (p. 8134).
10. RESEARCH. Continued debate on S. 1650, to create a National Science Foundation (pp. 8138, 8142-69). During the debate Sen. Kilgore, W.Va., questioned whether this Department's research program had been checked, and Sen. Smith, N.J., replied that this Department has a definitely "different program" (pp. 8150-1).
11. STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION BILL. Agreed to the conference report on this bill H.R. 6056, and agreed to the House amendments to the Senate amendments (pp. 8136-40). This bill will now be sent to the President.
12. FOOD AND AGRICULTURE ORGANIZATION. Agreed to Sen. George's (Ga.) request to remove the secrecy from the protocol transferring the functions and assets of the International Institute of Agriculture to the FAO (pp. 8170-1).

BILLS INTRODUCED

13. RENT CONTROL. S. J. Res. 171, by Sen. Byrd, Va., extending the rent-control provisions of the Emergency Price Control Act until June 30, 1947. To Banking and Currency Committee. (p. 8134.) Remarks of author (p. 8168).
14. FUR IMPORTS. H.R. 6939, by Rep. Byrnes, Wis., restricting importations of mink skins and fox skins, except red-fox skins. To Ways and Means Committee. (p. 8207.) Remarks of author (p. 84039).
15. RENT CONTROL. H.J. Res. 372, by Rep. Wolcott, Mich., reenacting and continuing the effective period of certain provisions of the Emergency Price Control Act in respect to the stabilization of rents for housing accommodations. To Banking and Currency Committee. (p. 8207.)
16. RESEARCH; MARKETING. H.R. 6932 (see Digest 127), in addition to the authorizations contained in H.R. 6548 (the Flannagan research bill), includes the following authorizations for marketing research and services: \$2,500,000 for 1947, an additional \$2,500,000 for 1948, an additional \$5,000,000 for 1949, an addi-

Mr. RICH. Unless you bring that back in disagreement so the House will vote on it, I am going to object.

Mr. WHITTEN. I cannot speak for the conferees. All I can do is to request the appointment of conferees so that we can go into conference with the Senate.

Mr. RICH. Unless you will agree to use your influence to bring that back in the House, then I object.

Mr. WHITTEN. Does the gentleman mean to say that he would bind the conferees in advance of their meeting?

Mr. RICH. I am opposed to the Government setting up a fertilizer plant or any other kind of plant. I am not going to permit it to go through by unanimous consent at this time. I am against the Government going into business in competition with private enterprise. That is communism.

Mr. Speaker, I object.

Mr. WHITTEN. If the gentleman will withhold his objection, I would like to make a further statement.

The SPEAKER. Does the gentleman from Pennsylvania withhold his objection?

Mr. RICH. I withhold the objection.

Mr. WHITTEN. I am not making a request to approve the report. This is for the appointment of conferees for the very purpose that the gentleman has in mind, and that is to consider the amendments which the Senate put in the bill. It does not have to do with approving the conference report at all.

Mr. RICH. Will you bring it back in disagreement?

Mr. WHITTEN. I cannot promise the gentleman what action the committee will take. I can speak only for myself. We will go into the matter.

Mr. RICH. Poll your committee and find out.

Mr. WHITTEN. I am sorry but the gentleman can pursue whatever course seems advisable to him, but I cannot poll the committee in advance.

Mr. RICH. Mr. Speaker, I object.

LABOR AND FEDERAL SECURITY AGENCY APPROPRIATIONS, 1947

Mr. HARE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 6739, an act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HARE, TARVER, ROONEY, NEELY, ENGEL of Michigan, KEEFE, and H. CARL ANDERSEN.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include an editorial from the Houston Chronicle of June 28.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD in two instances and to include a statement in one extension.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GEARHART asked and was given permission to extend his remarks in the RECORD in two instances and to include with each a quotation and an editorial.

Mr. WILSON asked and was given permission to extend his remarks in the RECORD in three separate instances and to include editorials.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a short newspaper article, and in the other two brief letters.

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and include facts found by a department of the State of Massachusetts and also tables included in their report.

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD in two instances, and in one to include a newspaper article.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Akron Journal.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include an article from the Roane County Reporter of Spencer, W. Va.

Mr. CARNAHAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a resolution adopted by the Municipal Finance Officers Association, and in the other to include an article which appeared in the Meath Chronicle.

Mr. KELLEY of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include a commencement address by Dr. Francis Crowley at the exercises at Trinity College, Washington, on June 3.

Mr. HAVENNER asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a letter, and in the other a set of resolutions.

Mr. ROGERS of New York asked and was given permission to extend his remarks in the RECORD and include a speech given by Kent Hurley, graduate of East Roger High school, entitled "Our Challenge in This Atomic Age."

Mr. DE LACY asked and was given permission to extend his remarks in the RECORD and include a letter from 19 Chinese.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD, and include a letter from the Letter Box of the Detroit News.

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include a short letter from the president of the Farm Bureau.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD, and include a newspaper article.

Mr. LATHAM asked and was given permission to extend his remarks in the RECORD.

Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks in the RECORD.

EMERGENCY PRICE CONTROL ACT, 1942

Mr. SABATH. Mr. Speaker, I call up House Resolution 689 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That notwithstanding the provisions of any other rule of the House immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the joint resolution (H. J. Res. 371, extending the effective period of the Emergency Price Control Act of 1942), as amended, and the Stabilization Act of 1942, as amended, and all points of order against said joint resolution are hereby waived. That after general debate, which shall be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. WOLCOTT. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 192]

Adams	Granger	Patterson
Anderson, Calif.	Grant, Ala.	Peterson, Ga.
Andresen	Gwinn, N. Y.	Ploeser
August H.	Hall,	Powell
Andrews, N. Y.	Leonard W.	Rankin
Barden	Harness, Ind.	Reece, Tenn.
Bates, Mass.	Harris	Robinson, Utah
Bell	Hoffman, Mich.	Rodgers, Pa.
Bonner	Hoffman, Pa.	Roe, N. Y.
Boren	Hollfield	Rooney
Boykin	Horan	Sheridan
Bradley, Mich.	Izac	Sikes
Bradley, Pa.	Jackson	Slaughter
Brumbaugh	Jennings	Stewart
Camp	Johnson, Okla.	Stigler
Clippinger	Kefauver	Tarver
Cochran	Kilburn	Thomas, N. J.
Coffee	LeCompte	Tolan
Corbett	Ludlow	Torrens
Cox	McGehee	Vinson
Crawford	McKenzie	Vursell
Curley	Mahon	Wadsworth
Daughton, Va.	Mankin	Welch
Drewry	Mansfield,	West
Eberharter	Mont.	White
Engel, Mich.	Mansfield, Tex.	Wickersham
Gardner	Miller, Calif.	Winstead
Gibson	Norrell	Wolfenden, Pa.
Gifford	Norton	Wood
Gillespie	Pace	Worley
Gossett	Patrick	

The SPEAKER. On this roll call, 345 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENDING EMERGENCY PRICE CONTROL AND STABILIZATION ACT

Mr. SABATH. Mr. Speaker, I yield myself 7 minutes. I shall later on yield the usual 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, this resolution makes in order House Joint Resolution 371. It provides for 1 hour of general debate, after which the resolution will be read for amendment. Points of order against the resolution have been waived.

ACTION UNUSUAL

Some Members may ask whether the action of the Rules Committee was unusual. I will say without waiting for the query, yes it is, but we have precedents for the action that has been taken by the Rules Committee. You will recall that a rule was given to the Case bill, though it had not yet been introduced and had no number, while the bill made in order by this rule, House Joint Resolution 371, was already formally before the House.

The Committee on Banking and Currency was precluded under the rules from calling a meeting to consider the joint resolution that was introduced by the gentleman from Kentucky [Mr. SPENCE]. Realizing the importance and the seriousness of conditions that existed throughout our country, I called a meeting of the Rules Committee, and I am pleased to say that I am thankful to the majority members of the committee that they agreed to report this rule making the joint resolution in order. They, too, realized that it is of the greatest importance that action be taken without delay.

THIS BILL OF VAST IMPORTANCE

As I stated, it was my intention to call up the resolution Saturday afternoon, but before we had an opportunity to act we were informed that the Senate had adjourned. Consequently there was no benefit to be derived in urging the House to act Saturday.

I consider that this joint resolution before us is of such vast importance to the American people that I expect all fair-minded Members, whether on this side of the aisle or on the other side, who have the interest of the American people at heart, and the interest of the consumers at heart, will vote for the rule and will vote for the joint resolution, without trying to delay action unnecessarily.

NEWS SHOWS PRICES SKYROCKET

Mr. Speaker, the facts stated in the President's message are so clear and so convincing that I feel all of us, without regard to party affiliation, must realize the need for immediate action to save the country from plunging into a ruinous inflation.

If there are any remaining doubts as to the need for continuation of price control, surely a perusal of the day's news will convince the most skeptical. The majority of American businessmen

are anxious to save the Nation from a boom that can end only in their own economic injury, but there are always some who, with a reckless disregard for their own and their country's welfare, will "get while the getting's good."

BEEF AT \$1.75—NYLONS, \$1.95

I have just been handed a brief summary of news from the news tickers. Let me mention a few of the items:

New York: Hindquarters of beef selling at 60 cents a pound wholesale, including waste, forces retail price up to \$1.75 a pound.

Rhode Island: Nylons up from \$1.35 to \$1.95.

Chicago: Livestock up \$1 to \$5 per hundredweight.

New York: Cotton up \$4 a bale.

New Orleans: Cotton up \$5 a bale.

Chicago: Corn up 41 cents, selling at \$1.85.

Boston: Room rentals up \$5 to \$10 weekly; residence rentals up, for instance, from \$36 monthly to \$45 monthly.

Memphis: Rents up 100 percent.

Philadelphia: Rents up. Example— from \$90 to \$150 a month, effective immediately, despite legal provision of 30-day notice.

St. Louis: Rents up 15 to 30 percent.

Chicago: Some rents more than doubled.

Miami: In one apartment hotel rent increased from \$55 monthly to \$160 monthly; maid and linen service eliminated.

Laguna Beach, Calif.: Resort rentals changed from \$35 monthly to \$10 a day.

BUTTER SELLING AT 99 CENTS

Here in the District of Columbia frying and roasting chickens are up 14 cents a pound. Oranges have jumped 50 cents a case. Fresh fruits and vegetables are selling to the highest bidders, with all price tags removed. Butter is selling at 99 cents in some stores in Washington and at \$1.10 in Maryland. The price of scallops and crab meat advanced 35 percent. Tires went up from \$16.25 to \$21.75.

These, as I have explained, are merely news stories hot off the ticker, and you will read more details in today's and tomorrow morning's papers. I am told that some restaurants have increased prices 50 percent.

SUCH ADVANCES UNFAIR

I think it is unfair and un-American on the part of the irresponsible dealers responsible for these breath-taking advances to take advantage of the emergency; and I appeal to the decent dealers, if they have their own interest and the interest of the country at heart, to desist, and to comply with the appeals of the President of the United States and their own business and trade leaders.

Surely they should realize that if a wild inflation comes with its aftermath of depression and panic it is the small businessman who will suffer most and the small manufacturer who will be wiped out.

SMALL COMPETITORS CAN BE WIPED OUT

It is not unreasonable to suspect that the enmity of the National Association of Manufacturers for price control is based in part on the belief of the huge

manufacturing interests that they can eliminate competition, and their virtual monopoly can be made absolute.

Certainly it will inure to the benefit of all business and all manufacturers if they will hold prices in check and not permit themselves to be swayed by greed to increase profits unfairly and without justification.

WARNING TO CONGRESS

At the same time these newspaper stories are a grave warning to us here in Congress to act promptly and fairly in protection of the people. Perhaps some of those who voted to sustain the President's veto did so under the misleading pressures of the National Association of Manufacturers and similar organizations and the powerful propaganda lobbies they have maintained to fight price controls. Surely they can see now that the anti-OPA lobbies have viciously misrepresented the facts.

As I stated here Saturday, this should not be a fight between Republicans and Democrats; it is a struggle between the desire of the people to make a living, and the desire of selfish interests to make a killing.

SHORTAGES ARTIFICIAL

I am not opposed to people making a fair return on their investments, Mr. Speaker. I believe in free enterprise; I myself have been in business. But free enterprise cannot be free if it uses its freedom to unjustifiably gouge the American people, as obviously some people in business are doing right now in this critical situation; and if that kind of freedom of enterprise is long indulged in it will lose its freedom entirely in the ultimate crash between the just anger of the people and being gobbled up by powerful trusts and monopolies who can ride out the crash.

We know that in all too many instances there has been no real shortages of goods where shortages were supposed to exist. The goods are being withheld from the market by greedy speculators and hoarders. If the food, the fabrics, and scores and scores of other high-demand articles had been put onto the market as they were produced there would have been few real shortages.

BUYERS CAN STRIKE ALSO

The American people can play that game too.

If the speculators think they can make a killing in the next few days, they are mistaken, because I know the consumers of the country will resent it, and they too can strike and can withhold their buying until these greedy men come to their senses.

I presume that my Republican friends who have been disarmed by the President's honest, straightforward, and positive presentation of evidence and facts will revert to name calling, and will charge that the Washington bureaucrats want OPA to be a continuing and permanent agency. Such insinuations and other unjustified charges are deplorable; they are unfair and anything but statesmanlike.

OPA DOES NOT DESTROY FREE ENTERPRISE

They will shout that free enterprise is being destroyed. I ask them: Have

we free enterprise today when a few large groups can dominate the basic prices of everything we consume, and can withhold their products from market while their warehouses are bulging with unsold merchandise, in order to create artificial shortages and gouge the American public with falsely inflated prices? They willfully close their eyes and refuse to see that we are on the brink of economic crisis and chaos. Their shortsighted policies cannot aid them in gaining political advantage in the next political campaign; on the other hand, the just anger of the American people may well consign them to political oblivion for years to come.

I hold in my hand over 350 telegrams, and I have received thousands of letters and petitions to extend OPA in the face of continuously rising prices; how will millions of people with small incomes exist if the cost of living is constantly increased and their incomes are held constant?

IN ROOSEVELT'S MEMORY, EXTEND OPA

In conclusion, Mr. Speaker, let me remind my colleagues of the prayers we offered this morning in memory of the greatest and most humanitarian of all our Presidents, who gave his life for the common people, and to express the hope that in his memory and in his example fair and honest consideration will be given to the legislation before us by all Members, even by the bitterest opponents of OPA. I know that if he were with us today he would strongly urge us to act favorably, and to extend price control, not permanently, but for at least 1 year. That this will be done I am sure, after you have seen what avaricious landlords, manufacturers, wholesalers, and retailers have done in less than a day without price control.

The SPEAKER. The time of the gentleman from Illinois has expired.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such times as I may require.

The SPEAKER. The gentleman from Illinois is recognized.

Mr. ALLEN of Illinois. Mr. Speaker, this resolution makes in order consideration of House Joint Resolution 371, extending the effective period of the Emergency Price Control Act of 1942, as amended. All points of order against said resolution are waived. General debate shall be confined to the joint resolution and shall continue for not more than one hour, to be divided and controlled equally by the chairman and ranking minority member of the Committee on Banking and Currency, after which it shall be read for amendment under the 5-minute rule.

I am opposed to this resolution because, like everyone here, I am convinced that unless Congress completely "bends its knees" in subjugation to the bureaucrats administering OPA, that we unfortunately cannot have any price-control legislation. After listening to the

veto message of the President, after listening to his radio message to the American people, probably written by the OPA bureaucrats, it should be obvious to all of us that there can be no compromise, no mutual understanding. It should be apparent that there is only one way to settle this controversy to satisfy the President and that is for the legislative branch of our Government to completely capitulate and surrender to the executive branch. After 14 years of association with you, I feel certain that this you will not do. By so doing we would be weaklings. We would not be entitled to the respect of those who send us here. We would be surrendering a principle that undoubtedly would return to haunt us. Nothing would be more detrimental to our system of Government than to have the Congress of the United States meekly accept the dictates of another branch. By so doing we would be nullifying the protection of one-third of our branches.

On the floor of this House our beloved Speaker stated when this legislation was before us—I quote—"that in his opinion Congress would not pass a continuing resolution." I agreed with that statement. I am of the opinion now, that even should we pass this resolution, the price-control legislation cannot be enacted because the great majority of the people of this country want less controls and the membership of this body knows it. With this in mind, I ask you how can legislation be enacted. Is it not useless for us to spend our time attempting to do something that we know to be impossible. Yes, we can pass this resolution extending the act for 20 days during which time the Banking and Currency Committee can endeavor to present us with another bill, a bill which I predict after consideration by this body will have less controls, and will consequently be vetoed by the President. We know the feelings of the other body and we can imagine the importance of days of debate over on the other side of this Capital.

Mr. Speaker, I would ask you this. How can this Congress be honest with itself, how can we be consistent, if after months of profound study and consideration, we now about face and pass hurried legislation within the next few days with no additional evidence available, but with exactly opposite meanings and purposes? It should be obvious to all of us that the executive branch wants what it wants, nothing we will pass will receive approval except a measure free from our judgment; nothing but a measure as dictated by the bureaucratic administrators of the OPA. I am not willing to throw aside the judgment of this body to appease these bureaucrats. I am unwilling to accept the arbitrary position of the bureaucrats that either Congress is unfit and incompetent or dishonest.

Mr. Speaker, we must never forget that Mr. Truman has ignored the advice and council of his leaders on Capital Hill. I feel that he must know that you presented him for his signature the best compromise possible. Why should he subject you to humiliation?

Now this administration is attempting to scare Congress by a flood of telegrams. I refer to the many communications we

have all received the past 48 hours. In answer to these last minute messages I would refer you to the many letters you have received from thousands of your people who have been penalized by the many unfair practices of those charged with the administration of OPA. In this grave hour we must not forget them.

Neither must we forget the months of hard work of the members of our Banking and Currency Committee. Weeks after weeks they heard conscientious and patriotic Americans from all walks of life. Who were these people? Small businessmen, manufacturers, consumers, spokesmen for agriculture, stock-raisers, lumbermen, laborers, administrators for OPA. The measure Congress passed was passed after considered judgment. One that passed the acid test of careful and patriotic thought. Now do we wish to send them back to bring forth a measure for which they could have no respect? That is all that is acceptable to the administration bureaucrats.

Although, I believe that we should not take off basic price controls which would permit speculation; that we should not take off rent controls I voted against the vetoed bill because while the President thought it too moderate, I thought it too severe. I was of the opinion that it left too many unwarranted powers, too many control decisions to those administering the act. Therefore, last Saturday, along with many others I found myself in an unusual position. I sustained the veto of the President because it was too drastic—while he vetoed it because it was not drastic enough. I repeat, I was not alone in this predicament. I merely mention it now in attempting to illustrate the futility of our labors. A compromise is impossible.

Mr. Speaker, I trust this resolution will be voted down. Only by casting aside our considered judgment after extensive hearings and by shirking our responsibilities can legislation demanded by the President be enacted. For one I am not willing to do this.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. RICH. Is it not a fact that OPA legislation died at midnight last night?

Mr. ALLEN of Illinois. That is true.

Mr. RICH. Then could something that is dead be continued? Would it not require entirely new legislation to revive it?

Mr. ALLEN of Illinois. Well, that has me also confused. I repeat, it is merely shadow-boxing if we force a committee to go back, then come in here and lose all its respect and the respect of the Congress if they make an about-face and bring in new legislation which they will be compelled to do if they desire Presidential approval.

Mr. GRAHAM. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. I would like to ask the gentleman, why is this resolution worded as it is, extending the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, rather than the enactment and continuance of those acts?

Mr. ALLEN of Illinois. I cannot answer the gentleman because the Banking and Currency Committee never met. The chairman of that committee came up and asked on his own motion for a rule. I do not believe they even took the trouble of going before the Banking and Currency Committee to ask the desire of the other Members.

Mr. GWYNNE of Iowa. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Iowa.

Mr. GWYNNE of Iowa. Along the same line as the question raised by the gentleman from Pennsylvania, this resolution simply amends certain clauses of two laws which are now dead. Should we not, first, reenact the entire law, then amend certain parts of that law?

Mr. GRAHAM. We are dealing with two acts, not one.

Mr. ALLEN of Illinois. I reiterate, I cannot understand why we should force the Committee on Banking and Currency to go back and attempt to bring in legislation when, according to the President's veto message and his message over the radio, there can be no compromise. We know full well that the people of the United States want less control and the bureaucratic administrators of the OPA want more control. Are we not shadow boxing here by taking the time of the Congress to even discuss this proposition?

Mr. GEELAN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Connecticut.

Mr. GEELAN. The gentleman is not making a correct statement. The gentleman states the committee will be doing an about-face on this measure. The committee did not bring the bill in as it was passed by the House; therefore the committee could very well stand on the bill that it reported.

Mr. ALLEN of Illinois. I may say to the gentleman that in the event the committee comes in with another bill there will be less control than in the bill vetoed by the President and the President will more hastily veto the next bill that is presented.

Mr. GEELAN. What the President is asking for is to allow the people of the United States to tell the Congress of the United States how they feel about this, and they should be given that opportunity.

Mr. ALLEN of Illinois. Mr. Speaker, for the past 48 hours there has been a flood of telegrams coming to us. May I also ask you to just read the mail you have received over the past 3 or 4 years. Read again the letters that you have received from your small business people, from the consumers, from the farmers, from the small manufacturers, and that will give you every reason to vote against the pending resolution.

Mr. Speaker, I know that all of us feel badly because the President of the United States did not follow the advice of the leadership of this House and Senate. I know that those gentlemen fought gamely. Again, perhaps, we shall see the spectacle over in the United States Senate where they will be days and days not settling anything, because we know

that there cannot be any compromise on the OPA, that it is a dead issue. The only compromise is to pass a bill giving to the President of the United States and these bureaucrats everything they desire. This, in my opinion, the Congress will not do.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. Why join the panic? Why not give the American producer a chance for freedom? This morning I had a telephone call from the Middle West and I was informed that just as the grain was beginning to move to the legitimate dealers so the people could have food, instead of going to bootleg distillers and other bootleggers, over the radio came the false announcement that Congress had passed a continuing resolution by unanimous consent immediately after 12 o'clock.

Mr. ALLEN of Illinois. I say that every one knows that this is shadow boxing. There can be no compromise.

I yield 5 minutes to the gentleman from Michigan, Mr. Michener.

Mr. MICHENER. Mr. Speaker, I want to impress upon you the fact that at midnight on yesterday, by direction of the President of the United States and a minority of those Members of the House voting to support his veto, OPA ceased to exist.

There is no Office of Price Administration at this hour. Confusion and uncertainty reign supreme in the land. The President, in his veto message and in his radio speech to the country, predicted such dire results from the death of OPA that there is reason for prudent people to be alarmed. Reconversion has already been so delayed by strikes, misunderstandings, and the resulting lack of production, that a further period of uncertainty will surely make the picture worse. Yes, OPA is dead, but the President has indicated that he has a solution which he will ask the Congress to enact forthwith.

Mr. Speaker, there can be no stability warranting greater production, reasonable prices, and jobs for all during this hiatus. This controversy must be settled and settled as soon as possible.

We are confronted with a condition and not with a theory. For more than 5 months, the Congress has struggled valiantly with the OPA problem. We must not forget that there are three distinct lines of thought in the country. One group believes that our country has outlived the free enterprise system. They would have economic planning, implemented by bureaucratic control and regulation, from here on out. Another group would have none of price or rent control. They would wipe it out lock, stock, and barrel. Then there is another group in between, composed largely of those who are opposed to price control as a permanent part of the American system of government, and who believe that this war agency should be eliminated just as soon as the economy of the country will permit. They realize that when the Government entered upon the venture of supervising production, fixing prices, and regulating when our people can sow,

when they can reap, when and where they can buy and sell, it got a bear by the tail, and it is an angry bear. Today he is going around in circles chasing his tail, and we must be mighty careful how we let loose; if we are not, certain groups of our people are going to get severely bitten. Those who have fixed incomes, as well as those who will not, or cannot strike to enforce their demands, must not be forgotten.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Michigan.

Mr. RABAUT. All we are hoping is that the tail will not pull out.

Mr. MICHENER. I hope not, for if it does these groups will either get a hard fall, or a painful bite.

Mr. Speaker, while we have no OPA at this hour because of the Presidential edict, certainly the blame cannot attach to the Congress. True, the bill sent to the White House was a compromise. None of the three groups which I have mentioned had their way in writing it. As so forcibly stated to the House by our distinguished Speaker, it was the best compromise possible.

OPA was of value during the war. However, its administration has always been faulty. The Administrator has been arbitrary, unyielding, impractical, and domineering.

Chester Bowles, the Administrator, is an advertising man. His experience in the past has been that of a propagandist. He lacks practical business judgment and know-how to accomplish in the production field. In short, regardless of his intentions, he has been a failure as head of OPA. Certainly there are men of experience in the country who would do a better job. That is all water gone over the dam, however. Because of the attitude of Mr. Bowles, apparently supported by the President, all price control has been eliminated. Possibly we are attempting a futile thing. However, the President is pleading for just 20 days to work out a solution and bring before the Congress a new proposal that he says will be effective in the price-control and production field. If the future is to be judged by the past 5 months, the passage of this resolution will be but an idle gesture. Nevertheless, he may submit some simplified plan and name a new, practical administrator. There has been much over the radio and in the press within the last few days suggesting that Mr. William Jeffers, former rubber administrator, was being considered to take over OPA.

Somebody has responsibility for either proper administration of sensible price control or its abolition in a way that will not bring so much distress to our people. The Congress recognized this responsibility and sent to the President the best compromise possible. The President threw this handiwork out the window and pleads for but 20 days' additional time. Under present circumstances, this is the President's baby. In the meantime, he has told industry, labor, the farmers, little business, and big business to keep things in status quo for a few days until the Congress has time to consider his new plan. During that period

we will have a sample of what is going to happen if price control is abruptly removed with nothing but moral suasion as an incentive.

For my part, I do not believe that the Congress should assume the responsibility which the President has assumed. Fifteen or twenty days is not a long time, it will pass very rapidly, and, unless the President has something up his sleeve that he has not yet shown to the Congress or to the country, there is little possibility of OPA's revival beyond the 20 days. This whole OPA matter is a hot potato and I do not propose to let the President hand it back to the Congress just for the sake of getting rid of it. As a practical matter, that is what his veto message amounted to. Be it remembered that this spiral of increased costs had its inception in the President's order requiring increases in wages and, thereby, in cost of production.

Evidently the President has been the recipient of a mess of bad advice. By his act destroying every vestige of OPA he has not only killed price control, he has taken rent control along with it. If rent control is desirable, and the President objected to other features of the bill, the rational course would have been to sign the bill, save what was good in it, and submit proposed changes. He pursued the other course. Indeed, his course is most unusual and lacks every element of cooperation between the Executive and the elected Representatives of the people. Who is Chester Bowles that he, an appointed bureaucrat, should tell the Congress that it must accept his dictation or there will be no OPA?

Mr. WILSON. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Indiana.

Mr. WILSON. Does the gentleman from Michigan feel that 20 days will give the President time to clear any price-control bill that this Congress would pass with Sidney Hillman and his "Red" outfit?

Mr. MICHENER. Mr. Speaker, possibly other members of the Rules Committee will discuss in some detail those from whom the President receives his advice, those with whom he clears. I have very definite views concerning some of these advisers, politicians, and self-seekers. However, that is beside the question here, and I do not want to inject anything political in these remarks. This should not be a political issue.

In conclusion, I want to reiterate that OPA should be done away with the very minute that this can be accomplished with safety to our country and without great suffering to our people. Prices have materially increased under OPA; they will continue to increase in some cases, with or without OPA. As production is stepped up, supply will come into balance with demand; and when that happens, there will be no more necessity for OPA.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. CLARK].

Mr. CLARK. Mr. Speaker, I cannot feel that it is exactly fair for it to be said that the existing situation is the fault of the President. I think the rec-

ord shows that the President of the United States months ago called to the attention of the Congress the desirability and necessity of doing something about the OPA. Congress did not do anything about it until just a few days ago.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CLARK. I yield to the minority leader.

Mr. MARTIN of Massachusetts. May I ask the gentleman why Congress did not act? Whose fault was it, probably, that Congress did not act?

Mr. CLARK. Probably a little on each side of the aisle.

Mr. MARTIN of Massachusetts. Who has charge of the legislative program?

Mr. CLARK. I think the gentleman knows the Democrats do and probably will continue to do so for some time.

Mr. MARTIN of Massachusetts. The rest of this year.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. CLARK. I yield to the gentleman from Vermont.

Mr. PLUMLEY. I am very glad to have you assume responsibility.

Mr. CLARK. To be perfectly candid and frank about the matter, I was only making the point that I do not think Congress skirts are entirely clear in this matter. We have got into an unfortunate situation, but to the average American citizen it will not be reasonable or sensible that the Chief Executive and the Congress cannot get together and do something sensible and effective to prevent what is in my judgment the greatest economic crisis that has ever existed in the United States. If we do not do so, and the dire results that are entirely possible by reason of that neglect carry this Nation into economic chaos, we should not be unmindful of the fact that the whole world may be affected. Let us not forget that we are really the last sound, stable, and solvent Nation in the world today.

I think we ought to take this 20 days. The existing situation is as much or more our fault than it is that of the Chief Executive. We should not quibble about that. Let us vote this 20 days' extension and see if we cannot within that time do something that will meet the necessities of a grave situation.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, with reference to the matter of the time just referred to by the gentleman from North Carolina, I think it might be well to call attention to the fact that the price-control extension was passed in the House of Representatives the 18th of April last, which was quite some time ago.

The President's veto of the OPA bill will make good news in Moscow, but his action shows a reckless disregard for the welfare of our country and of the views of the Congress, which represents our people, and his own party leaders in the Congress. Although he has insisted that the whims and the policies of the bureaucrats must be continued without correction, Mr. Truman's veto message expresses approval of many of the provi-

sions of the bill which Congress sent him. The inconsistency in his attempted justification of his position causes him no apparent embarrassment.

The truth is the President is the misguided follower of the most violent partisans of the New Deal. They told him to abolish the War Labor Board last year and he did so. They told him the country faced deflation and they were wrong. They told him the Government should seize the steel industry and the coal mines and write labor contracts. He followed their lead. They told him labor should get wage increases and the employers should have no compensating price increases. They told him that producers could be made to produce at a loss—and shortages followed and production was paralyzed.

They told him the Government's erroneous fiscal policies must be pursued without correction, and no steps have been taken to correct the basic difficulties confronting us. The value of the dollar continued to decline.

Meanwhile these factors were mounting, and were forcing black markets and rising prices. OPA itself granted 824 industry-wide price increases since VE-day, and thousands of individual price adjustments which increased the cost of living.

Finally Congress acted and sent the President the Case bill, by an overwhelming vote. The New Deal politicians told him to veto it and he did so. Congress sent him the Hobbs bill and he says he has submitted it to the departments, which means the New Deal bureaucrats, for their advice. Congress sends him an OPA bill designed to deal realistically with the demands of a situation which the bureaucrats created. Once again they tell the President to override Congress, and the President responds accordingly. These things do not merely reflect incompetence and bungling. They are purposeful, willful acts designed to produce the very plight in which the country finds itself. They are part of a policy looking to demands for a nationalization of business and for a socialist economy. These New Dealers give impetus to their program through thousands of Government propagandists. They aim to destroy the Congress and to substitute bureaucracy and a Washington dominated and controlled economy.

The crisis confronting the country has been deliberately created. It is politically inspired to the end that government shall direct the American economy and control the American people. And the President has been victimized by the planners and the plotters who bring this about.

Congress is entitled to the support of the American people. This is their Congress—fighting for the people, for the American system, against the bureaucrats. The issue was inevitably bound to come to a head. The "Macedonian cry" we now hear is from the President—for the bureaucrats and the New Deal.

However, we have an immediate problem, the handling of which has tended further to division among the American people. It has been precipitated by the New Deal and left wing bureaucrats who have manned our agencies and our bu-

reaus and who are the advisers to the President. How it happened, important though it be, must be set aside for further discussion under other circumstances. I feel that the important thing now for me as a legislator, is to recognize the practicalities and to do what I can for the immediate and best interests of the country under the conditions prevailing.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

(Mr. SMITH of Virginia asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Virginia. Mr. Speaker, the resolution which we have before us provides for the extension of OPA until July 20, a period of 20 days, during which time it is hoped that the objections of the President to the extension bill passed by the Congress can be ironed out in a satisfactory manner. I very much hope that they can. I do not know whether the predictions of uncontrolled inflation will come to pass if OPA is not extended. No one else knows. But I am very much afraid that we would experience a period of inflationary prices in cost-of-living items that would be disastrous to the great masses of people who work on fixed salaries, wages, and fixed incomes. We must not take that chance. The differences between the Congress and the President must be composed in the interest of the welfare of the Nation. The greatest good for the greatest number demands retention of adequate but sensible price control.

Personally, I believe it desirable to continue price control for a period of 12 months, and I so voted when the bill was up in the House. I do not believe that any essential cost-of-living items should be arbitrarily lifted from price control, and so voted when the bill was before the House.

It has been said on high authority in both the Senate and the House, that if the President vetoed the bill passed by the Congress, there would be an end to price control, as the Congress would not yield on any of the questions in disagreement between the legislative and executive branches. The subject is too vital to the Nation to accept this defeatist attitude. We are confronted with a condition of the utmost gravity. Regardless of who is right, or who is wrong in the controversy, it is imperative that we rise above the personal animosities that have been engendered in this controversy, and do something that will control the prices of essential cost-of-living commodities until the natural law of supply and demand can again function.

I, therefore, strongly favor the resolution to extend the present act, pending further legislation. However, I do not believe that a 20-day extension will be effective. It has taken us nearly 6 months to get through the bill which was vetoed. Some months ago, I expressed on the floor of the House the hope that Congress would act promptly on this vital subject and not wait until the last minute and leave the Nation in the present uncertainty in which we find ourselves.

I do not believe, in the first place, that Congress can act calmly and adequately within the brief period of 20 days proposed in this resolution. In the second place, in all fairness to the administrators of the OPA, whatever changes are made in the law should be made far enough in advance of the effective date so that the OPA can have the opportunity to study them and be prepared to put them into effect when the law goes into operation. To pass an amended act and require the OPA to formulate its regulations and put them into effect overnight, or within a few days, places upon that agency an impossible task that would be unfair both to the agency and to the public, and would add to the confusion already existing.

I, therefore, suggest that the resolution be amended to extend the present law for a period of 60 days, instead of 20 days.

We can all sympathize with the impatience of the American people to be rid of the rigid, and often foolish and unfair, regulations, and the petty persecutions that some officials of the OPA have visited upon innocent people. But this question now before us is whether it is better to put up with the present annoyances, inconveniences, and often injustices, or do away entirely with price control and take the chance of uncontrolled inflation with all of its attendant evils and sufferings.

I am not willing to take that chance and I say so with full knowledge and after extended investigation of the many just complaints that have been lodged against the administration of the OPA.

The Special Committee to Investigate Executive Agencies, of which I am chairman, held weeks of hearings on complaints of arbitrary and unlawful activities on the part of the OPA. We made several reports to the Congress, critical of the agency's arbitrary and capricious abuses of its authority. We thought and still think that it is highly desirable that these abuses be corrected, and corrected promptly. We have not hesitated to say so, either in our reports or in our conferences with Mr. Chester Bowles and his advisers. And yet, when it comes to the question of abolishing price control, or putting up with the inadequacies and injustices of its present administration, I unhesitatingly advise that we adopt an extension resolution for a period of 60 days, instead of 20 days, and settle down earnestly and calmly to a fair solution of the differences between the Congress and the President.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. COOLEY. I would like to ask the gentleman if he thinks that this resolution is sufficient, in view of the fact that the OPA expired last night at midnight.

Mr. SMITH of Virginia. I am glad the gentleman asked that question. I do not think anybody is going to try to violate this resolution if the Congress passes it and the President signs it. I think that is a question that is not practical.

Mr. COOLEY. Does the gentleman feel that it is good legislative practice

to try to amend a law which has expired?

Mr. SMITH of Virginia. As a matter of fact, the last paragraph in this resolution undertakes to revive the law. Whether it can do so constitutionally or not I do not answer; but I say that for all practical purposes it will revive the law.

Mr. COOLEY. Why would it not be well to amend the resolution so as to reenact the law if that is what you desire to do?

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Speaker, I feel very deeply about inflation. I said the other day and I say now that we passed a workable bill. I do not believe that we are going to be able to get any more rigid control bill than the one we passed. I am afraid the other body will insist on removing controls from all foods. The Members of this House do not realize how hard we did work to persuade the conferees of the Senate to leave controls on food. The conferees of the House were finally successful in persuading the conferees of the Senate to let controls stay on food, and I think they ought to be on food, clothing, and rents for a while longer.

I do not believe we are going to get a better bill.

I am satisfied that the bill that we passed would have worked.

I believe the President has made a mistake in vetoing the bill the conferees and the leaders of the House and Senate asked him to O. K., but if he thinks he can get a more rigid bill or if he thinks he can get any bill at all let us give him the time stipulated in this resolution, because I feel deeply we must have control on scarce commodities during this emergency. If we cannot get any more satisfactory bill for the present than we have passed, I believe if we repass the same bill the President, upon mature consideration, will sign it.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, when this rule came before the Rules Committee, and before it was brought to a vote, we discussed it rather thoroughly, and then, when it was finally brought to a vote after the Senate had adjourned, I voted against it for several reasons. First of all, I questioned then, and I question now, whether the Congress, by House Joint Resolution 371, can legally and constitutionally extend a law that has already died, that has already expired, and that no longer exists; and I think the courts will have something to say about that.

Second, I examined, and questioned very carefully and fully, the gentleman from Kentucky [Mr. SPENCE] chairman of the House Committee on Banking and Currency, when he appeared before the Rules Committee last Saturday and

asked for this rule. I asked him whether or not in his opinion the House could in the short space of 20 days prepare and enact price-control legislation that would be satisfactory to the Congress and to the President, when we have failed to do so after 4½ months of hard work and full consideration. The gentleman's answer was that he did not know. He said very frankly and very honestly that he could give the committee no assurances that any legislation could be presented which would be enacted by the Congress or approved by the President. And then, finally, I had this in mind: There is a fundamental issue involved, a fundamental difference of opinion, between the Chief Executive on the one hand and the Congress on the other. The Chief Executive has seen fit to veto the price-control legislation Congress has sent him, despite the sincere counsel and advice of the legislative leaders of his own party in the Congress that the measure was the best that could possibly be expected from the National Legislature, and should be signed by him. By his action the President, and he alone, killed price control, killed OPA, and killed rent control.

This difference exists between the executive and the legislative branch. We do not believe here that there should be a continuation of these permanent controls, of all these broad powers, but that there should be changes and amendments in the law; while the President has followed the advice of Chester Bowles, the bureaucrats and the left-wingers, and he takes the position that there should be no change, or practically no change, and that the powers, the broad and great authorities, that he has exercised, either directly or through his bureaucratic agencies, should be continued, perhaps indefinitely, because he asks that they be continued until June 30 next year without any real break in subsidy payments.

That is the fundamental difference and that is the fundamental issue before us. So I suggested, and I did so, not facetiously at all, but in all seriousness, to the Democratic leadership present before the Rules Committee that the one honest, fair thing to do to settle this issue was to bring in an extendure resolution, not for 20 days, because we know nothing is going to be done in the 20 days. In fact, we are back, right now, where we were when we came in the first of last February, and at the end of 20 days we will be back again where we came in today, in exactly the same position we are now. So I suggested that the administration and the leadership, which has the voting power in, and control of, the committees having jurisdiction of this measure, to bring in a simple resolution extending price control "as is" for 6 months, or until December 31, 1946, and give the Congress and the people the opportunity to pass upon the clear cut issue whether they want to continue OPA as it is, or want something else.

Mr. Speaker, this is a Democratic administration. The President of the

United States is the head of the Democratic Party. He has seen fit to deliver a political veto, and a political message to the people of the United States in his recent address. This Congress, the House and the Senate, is controlled by heavy Democratic majorities. We have able Democratic leadership in this and the other body, and I am sure that regardless of what any of us on the Republican side, on the minority side, of this House, or the other body, might think about this legislation, the Democratic leadership and majority in the Congress of the United States can enact any kind of legislation they want. It is a strong leadership. They are able, they have the capacity to lead. So, let the Democratic leadership demonstrate its capacity and assume that responsibility.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman one additional minute.

Mr. BROWN of Ohio. Let the great majority here measure up to its responsibility, let them assume the leadership in this great hour of crisis, and enact the kind of legislation it wants regardless of what anyone else may think about it. Then the country can decide next November, on the first Tuesday after the first Monday, whether it has been right or wrong. That is the challenge. It is their responsibility. Let them live up to that responsibility.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Texas.

Mr. PATMAN. Will the gentleman support an amendment to extend it say to January 20, 1947? That will be 3 weeks after the new Congress reassembles.

Mr. BROWN of Ohio. No; I would not. But that does not make any real difference. You have the votes on your side of the aisle. You have the responsibility. You have a majority of 50 or more in the House, and 18 or 20 in the Senate. Why do you not use those majorities, if you can control and order your own party and if you have the leadership that you should have for you are next to the ranking member of your committee, and enact the kind of legislation you want? That is your right, your duty, and your responsibility.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, it is all too plain that our American economy is once more rushing toward the brink of disaster. Already the danger signals so well remembered from the debacle of 1929 are unfurled.

If any added proof is needed of this warning let me read into the RECORD excerpts from an Associated Press dispatch of Saturday last on the situation on the New York Stock Exchange.

The following table shows some industrial issues which have capped their 1929 highs—adjusted where stock splits have occurred:

	High, 1929	High, 1946
Celanese Corp.....	57½	83½
Chrysler.....	135	141
Douglas Aircraft.....	45½	108½
Loew's, Inc.....	28½	41
May Department Stores.....	54½	70
Phillips Petroleum.....	47	73½
Sears, Roebuck.....	45½	49½
Swift & Co.....	34½	41½
U. S. Gypsum.....	91½	132
U. S. Rubber.....	65	80
Wilson & Co.....	13½	19½

In late June the Associated Press average of 20 industrial stocks stood at about 105, or only 29 percent below the 1929 record of 146.9. At the 1946 high it was 25 percent under 1929.

The current level of the market as indicated by the Associated Press averages is corroborated by other well-known price gages.

Barron's index, based on the market value of all shares listed in the New York Stock Exchange, was 23 percent below the 1929 peak on May 31, last date for which the index was computed. The industrial component was only 14 percent under 1929.

Standard & Poor's weekly index of 354 industrials was 19.8 percent below 1929 on June 12 this year.

Stock market analysts have put two labels on the 1946 market: First, it is an inflation market; second, it is one of the thinnest markets on record.

The logical sequence to uncontrolled prices, Mr. Speaker is a runaway market in which millions of Americans will again lose billions of their wartime savings.

The Congress cannot ignore this situation. We must set up at once a sensible procedure to check this inflationary hurricane. To do this effectively, the Congress must have some definite commitment from our manufacturers, processors and from labor groups that the "line" once set by legislation will be strictly adhered to. Any other course is fraught with grave danger to our future economy.

As a friend of 20,000,000 union workmen, I urge the House to vote approval on the pending rule.

(Mr. BAILEY asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the majority leader the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the remarks of the gentleman from Ohio [Mr. Brown] are very clever, and as we follow them through the sum and substance of them would be that a minority party in our constitutional set-up has no responsibility; that under our set-up the minority party is an opposition party like it is in any other parliamentary government. Under our form of government, the minority party has its responsibilities, the responsibility of constructively criticizing, the responsibility of constructively proposing, and the responsibility of supporting good legislation. My good friend, the gentleman from Ohio [Mr. Brown] thoroughly realizes that, but in

his genial and able and subtle remarks he seeks to throw this responsibility only on the majority party, in this case the Democratic Party, a theory that has no place under our two-party system.

The debate has been very fine, and I am not going to enter into the realm of politics, except the brief observation I just made, which is not of a partisan nature. The gentleman from Michigan [Mr. MICHENER] very ably presented the situation from the minority angle. Other Members from the majority side have spoken.

We are faced with a condition and not a theory. I am not going to blame Congress or blame anyone else for the present situation. Months ago I saw the probability of it, and I sent a memorandum around urging early action in committee. Now, as practical men, we realize that when a minority of any committee wants to delay, that it is pretty difficult for the majority and the chairman of a committee to prevent delay. You cannot accuse Members, whether they are of the minority party or of the majority party, or filibustering in the committee when they want to have any number of witnesses appear before them. Those who have been here for years are too well acquainted, from a practical angle, with the operation of committees to know that you cannot arbitrarily cut short hearings when a minority, whether political, or a combination of Republican and Democratic Members constituting a minority, want to have hearings held. In any event, hearings went on, and on, and on, in this branch and in the other branch, and the bill was presented to the President Saturday, June 29, with the law expiring on Sunday, June 30, at midnight.

The President of the United States immediately sent back his veto.

There has been some misunderstanding, as far as I am concerned, about the leaders' talk. I frankly told the President that I thought it was a very poor bill that we had presented to him. If I may use the phrase I did use, privately speaking, and which I know will not be misunderstood in this Chamber, I said the bill was "rotten." I urged the President to sign the bill if he felt he had the ability to control prices, but if he did not think that under that bill he would have the ability to control prices in the national interest of the people and the country, then I did not expect him to sign the bill. He had his constitutional duty to perform. We did ours by sending the bill to him. I do not think it is fair to criticize any person for exercising his judgment and his conscience. One can disagree, I agree with that, but to impugn the motives of any man I do not think is fair.

In any event, we are faced with a condition, and I urge the passage of this resolution today. All we can do is do the best we can. Speaking as the majority leader of this House, I serve notice on the country that whether Members vote for the resolution or not, we are doing the best we can as quickly as we can.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. McCOWEN].

LIBERTY OR THE OPA—WHICH?

Mr. McCOWEN. Mr. Speaker, at 12 o'clock midnight last night the Liberty Bell rang again and "proclaimed liberty throughout the land unto the inhabitants thereof" in strict harmony with the inscription made on it long before the American Revolution. Liberty throughout the land, by the death of the OPA, and freedom were restored to Americans to make men who were free before World War II, free again. The question now is, Will this Congress preserve this newly restored liberty by not reenacting the price-control law? The statutory death of the price-control law ended bureaucratic terrorism and despotic control over the lives of Americans in many fields of business. It should not be renewed at this time. A price-control law that has caused a black market of so great an extent as now exists, that has created a scarcity by having ceiling prices below the cost of production, and that has humiliated honest Americans by persecution in the name of prosecution, much like the star chamber methods of old, should remain dead.

Some would renew the Price Control Act for fear of inflation, if it did not exist. This fear, in my opinion, is not well founded. Much inflation existed under price control. There will be some increase in prices when controls are removed whether it be now, 6 months from now, 1 year from now, or at any other time. But when those controls are removed production will be free to increase and will increase rapidly. The law of supply and demand will reduce prices to some degree of normality and people will be able to get the things they need. Production will prevent inflation to a large degree.

A greater issue is involved in price control than the mere question of dollars and cents. It is the question as to whether we shall have regimentation in general by the Federal Government or whether free enterprise shall exist, and, as a consequence, whether freemen shall remain free. Those who fought and won the American Revolution risked the loss of all their earthly possessions, as well as their lives, for freedom, that freedom which has been handed down to us. Is it not up to us to preserve that freedom by ending a planned economy now? One of the big steps in that direction is to let the dead OPA remain dead.

Let us show the world that the Government of the Republic of the United States is the servant of the people, and not its master. Let us show the world that Americans in time of peace can run their own affairs honestly, intelligently, and right, and that democracy lives in the United States, by not reenacting a price-control law now.

(Mr. McCOWEN asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Vermont [Mr. PLUMLEY].

[Mr. PLUMLEY addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. PLUMLEY asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the Record on the pending legislation.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

* There was no objection.

Mr. FLANNAGAN. Mr. Speaker, all sensible people want to do all things that are necessary to prevent inflation. I think we can all agree on that. As to how to obtain this objective upon which we all agree can be obtained there is considerable division. While I voted to override the President's veto, believing as I did the price-control bill as passed was the best bill we would be able to obtain, I am perfectly willing to make a further effort, and therefore shall vote for the resolution under consideration. If this further effort proves successful we will all become the beneficiaries of the effort; if, on the other hand, it proves unsuccessful we will be in no worse fix than we are today. We, therefore, have everything to gain and nothing to lose by supporting the resolution.

I hope it will be the pleasure of the House to adopt the resolution.

Mr. RICH. Mr. Speaker, under leave to extend my remarks, I insert the following:

I would like to vote for rent control effective until we are able to build more houses, and the law of supply and demand will take care of the situation. I do not want to see people evicted from their houses and on the streets, but OPA should have given some relief to those landlords who lost money under OPA regulations when their expenses of operation increased greatly.

I am now and always have been against subsidies. With people making high wages, we can keep our Treasury from going on the rocks by stopping those subsidy payments which never should have been made. That system was started in Germany, and see what happened there. We do not want it to happen here.

The law of supply and demand is our best and most efficient price regulator under the private enterprise system. It will protect the farmer, the merchant, the manufacturer, and the worker. It made America great. I am against this bureaucratic government. It is foreign to our Constitution, and to our Government, previous to the New Deal. I never supported it in the past, and I am too much of an American to vote for it now. By the methods of inefficiency employed, price control as administered by the OPA has done more to make merchandise scarce than any other agency of government. Many of the regulations have been most ridiculous, no business in them. The OPA has hindered production, thus increasing the black market and causing higher prices, and creating scarcities. OPA creates more black markets than prohibition ever did, and we have seen illegal selling of all kinds of produce at ever-higher prices. Scarcity is more and more apparent in many commodities.

If we do not give everything away to foreign countries, our supply will catch up with demand in a few months. The majority of our people are honest businessmen, and I do not look for the honest manufacturers, merchants, and farmers to gouge the workers and attempt any excessive profiteering. I believe in our people, and want to see them given a chance. I am against bureaucratic government and regimentation. I believe in our Constitution, and have always supported it and will continue to do so. Working under that Constitution has made America a great Nation. It is high time to stop tearing it down.

The OPA died last night at 12 o'clock.

This resolution is not constitutional to reenact OPA. You should pass a new law if you want to revive the OPA. When a thing is dead, it is dead—you cannot put life in it. Let us do things constitutionally; you all took an oath to do so.

Mr. MADDEN. Mr. Speaker, in the last month, President Truman has demonstrated on two different occasions his capacity as a great leader in this after-war economic emergency. His first demonstration of fearless leadership was the vetoing of the Case bill, disregarding the great pressure brought upon him by antilabor forces throughout the country. His veto of this measure was upheld by the narrow margin of five votes. It is my firm belief that had President Truman not presented his temporary emergency legislation to the joint session of Congress on the previous Saturday, the Case bill would be on our statute books today. His leadership on that occasion averted the further rise of industrial unrest and confusion and today we can see economic peace on the horizon.

His second demonstration of great leadership was when he vetoed the impotent and emasculated OPA legislation last Saturday. By that veto he served notice on the special privileged pressure groups of this country that they cannot amass postwar profits at the expense of the American consumers. His veto of a weak and impractical price-control bill assured the millions of Americans that they had a champion in the White House who will fight to preserve their savings, defense bonds, wages, insurance policies, homes, and their future security.

Every Member of Congress who has the interest of the consuming public at heart should vote for this continuing resolution—House Joint Resolution 371—which will make the present law effective until July 20, 1946. Within the next 20 days I hope Congress and the Senate will join on the passage of a rigid and stable price-control law which will carry through this emergency and save us from a paralyzing inflation and industrial turmoil.

RENTS SHOULD BE CONTROLLED

Mr. GROSS. Mr. Speaker, this resolution asking for the continuance of the OPA for 30 days should be defeated. I spent the week end in one of the country's greatest industrial centers. I spoke with many people and overheard a great many conversations. I found that there is a genuine fear existing in the public mind because of the President's veto action.

I learned, however, that the fear centers around rents. I have always felt, and still do feel, that rent control should be retained, but in all cases the administration should be in the hands of local authorities. I read an Associated Press report on Sunday which said that in most of the States the Governors have the authority to set up rent control. The report stated further that the Governor of Pennsylvania has this authority. I have since been informed that he has asked the Attorney General for an opinion on this matter.

This gives me reason to believe that should necessity arise our Governor will take appropriate action. My reasons for wanting this control in the hands of local authorities is because I believe that they will adjust the glaring inequalities that have been tolerated under the OPA administration.

So far as other controls are concerned, I learned that people want food and are not so much concerned about the price. I heard many people express the belief that while prices will undoubtedly rise, the prices will still be lower than present black-market prices. About 1 week ago I saw practically a new sedan stop in front of a grocery store here in the capital. The driver got out, opened the trunk of the car, pulled out a quarter of beef, and carried it into the store. His trunk was packed solid with meat. It was about 8 in the evening. Legitimate slaughterers or dealers do not handle meat this way. No doubt, this turned out to be expensive eating for those who had the price.

The trainmaster in the railroad yards at Pittsburgh, who has handled all the livestock coming from the West for nearly 25 years, informed me that during the last 6 months more livestock passed through the Pittsburgh yards, where they are unloaded, fed and watered, than have at any other period during his time. Shipments are at their peak at this moment. Very recently three men came into the yards as he was making up trains and inquired about three carloads of cattle they had in transit. He pointed out their cars and they requested him to put them in a train that had just been made up. He informed them that they were too late, the train would leave shortly, and that he would put their cattle in the next train, which would leave in a few hours. When they became insistent and declared they must have their cattle in New York at the earliest possible movement, they offered him \$100 per car to get them in the first train. The cattle did not get away until the trainmaster included the cars in the next train 6 hours later.

Now, talking about black market, here is a case where these fellows purchased cattle at ceiling or above, came to Pittsburgh from New York to expedite their shipping, then slaughtered the cattle somewhere in black-market fashion, losing all the offal, hides, and so forth. This made expensive beef for somebody, and no doubt a lot of money for the black-market racketeers. Could this beef have gone into an open competitive market no doubt it would have reached the public at a much lower cost than it did oth-

erwise, and the byproducts, so much needed, would have been utilized.

Hon. C. GROSS:

OPA will die Sunday at midnight. Please ask Congress not to write another OPA bill. I want clothes for my body, household goods for my home, and food for my children. I trust the merchant will not raise his price more than to cover the OPA profit loss. I am willing for the merchant to have it.

A HOUSEWIFE.

To Congress:

Hon. C. GROSS: OPA is dead. Please do not write another bill. We will soon have the scarce articles we are longing for: Meat, butter, pepper, sugar, bread, flour, and so forth.

HOUSEWIFE (10 of a family).

JUNE 29, 1946.

Hon. C. GROSS:

OPA goes out Sunday night, and I am very glad. Now I can shortly get the scarce articles I have needed so badly. Butter will be back, and then I will not have to chew dry bread. I feel very poor in a land which at one time knew no scarcity.

A DEMOCRATIC VOTER.

JUNE 29, 1946.

Hon. C. GROSS:

OPA expires Sunday night and I feel sure we will now get prosperity. Burn OPA bill. We will get all the scarce goods caused by the OPA. It should have been kicked out last year. Why is it Truman does not declare the war over? Politics, I suppose. He is holding all the war emergency agencies, causing higher national debt.

A MOTHER OF FIVE CHILDREN.

DEAR CONGRESSMAN: OPA is dead. Please bury it deep before it smells.

A DEMOCRATIC VOTER.

Hon. C. GROSS,
Washington, D. C.:

Now OPA is dead, please bury it deep in the ash pile.

AN OLD-LINE REPUBLICAN VOTER.

YORK, PA., June 30, 1946.

Representative CHESTER GROSS,
Washington, D. C.:

We applaud the return to the law of supply and demand for merchandise pricing, and suggest a 15 percent approved increase on rents.

Mr. and Mrs. A. E. CORCKETT, Jr.

BELAIR, MD., July 1, 1946.

Hon. CHESTER H. GROSS:

Your support of President's veto is commendable if followed by active effort to reinstate price control over rents and scarce commodities. As a life-long Republican, I urge support of extension act, but this action is probably too sensible to be expected.

C. CLARK GAILLEY.

Mr. SAVAGE. Mr. Speaker, many of the speakers from the Republican side of the House in this debate on the extension of OPA have been laboring over the fact that the Speaker called on the House to vote for the passage of the conference report. They try to maintain that we who voted with the Speaker will be inconsistent unless we now vote against extending price control. Let me point out that had we not voted on the conference report there would have been no dramatic veto message. Had the House voted the conference report down it would have meant an undramatic end of OPA.

and the real issues involved would have not been brought sharply to the attention of the people. Had it not been brought to the attention of the people we would not have this opportunity today to vote for this resolution to extend OPA. A lot of crying has come also from the Republican side of the House because of the gap between the expiration of OPA and this extension resolution. Let me also point out that had the gentleman from Michigan [Mr. Wolcott] not objected to the immediate consideration of the extension resolution on last Saturday that the resolution may have been passed before the expiration of the old law.

We should not quibble longer about by-gones. Let us consider the problems facing us today and pass this resolution to extend OPA.

Mr. BYRNES of Wisconsin. Mr. Speaker, I voted against the conference report when it was before this House last week. I voted to sustain the President's veto of the bill. I voted not to sustain the reasoning of his veto message, but to sustain the effect of the veto, namely, to put an end to the unreasonable, unrealistic control that has been forced upon the American people by the administrators of OPA.

Fundamentally I believe in a reasonable control during this transition from producing for the devil of war to producing for the American people. But I have been in this Congress for 1½ years, not long as compared with most of the Members, but long enough to have seen the operations of OPA and come to the definite conclusion that we cannot expect a reasonable, realistic administration of any act which we might pass. There is ample evidence of this fact in the CONGRESSIONAL RECORD, where daily Members of Congress have called attention to the unreasonableness of OPA in solving our problem of production. Anyone who has had any relation with OPA—and we all have had many—knows that their attitude has always been one of adamant arrogance. They have hindered rather than aided production. They are all so wound up in their own rules, regulations, and orders that our entire production facilities have been stymied.

The arrogant frame of mind of the OPA has been demonstrated during the time Congress was considering the extension of control. Chester Bowles and other spokesmen for OPA have consistently taken the position that the law had to be extended as is—without crossing a "t" or dotting an "i"—the way they wanted it. That was their attitude last week end. That is their attitude today. If we are looking for a place to put the blame for killing price control, let us put it where it belongs, on Chester Bowles.

Mr. Speaker, the phase of the discussion that troubles me most is the underlying lack of confidence in the American people and the American system of free enterprise which is evidenced by the scare artists and calamity Chesters who picture absolute chaos in this country if we do not keep control over the people and business. Our people are pictured as being so greedy that some superman in Washington must hold a club over them. That our people are so ignorant that they will buy anything offered to them

and at any price. As for me I have greater confidence in the intelligence and honor of the American people. I have confidence in that system which has made us great—the free-enterprise system. At least give it a fair chance.

The adoption of this resolution can only add more confusion and more uncertainty to our already overstrained economic system.

The solution to our problem is full production. The adoption of this resolution will only delay production further.

Mr. LEONARD W. HALL. Mr. Speaker, when we had the OPA bill before us in the House, I made my position clear. I have been against any sudden or abrupt termination of OPA. And as I stated during the time of our consideration of the measure, I felt that despite its deficiencies, and the sum total of the harm it has worked, I believe that to terminate its life without providing something better in its place, would bring us even greater disorders, injustices, and harmful consequences.

Those disorders are now upon us. Chaos may well be around the corner. Only reason, self-restraint on the part of the whole country can save us. But these disorders will not come by action of the Congress, but by the action, practically unbelievably, of the President of the United States.

Today, by his direct action, rent control is terminated; there is no ceiling on any item of food; there is no legal restraint on any item going into the cost of living; there is no restriction of any kind. The lid is off. And the President took it off.

The President's veto of the price control extension bill was a reckless gamble. Mr. Truman took the position that he was willing to wreck all price control if he did not get the kind of control he wanted. He gambled to get his "all or nothing bill" and he lost.

It would have been real statesmanlike action on the part of the President had he signed the measure presented to him and then made his arguments to the Congress and the people for the corrective amendments he felt were imperatively necessary. In that way he could have built a basis for improvement of the bill, afforded a ground for compromise.

But like certain labor leaders he gave way to reckless action first and having done that he wants to build anew when he really has not got a base on which to work. We are now in the position of having to start from scratch, and in the meantime the people of the country lack the protection of any price control policy at all. That is an impossible situation and therefore I will certainly support action to continue the old law on a temporary basis.

What a comparison between President Truman and the far-sighted, sound planning of Governor Dewey. One minute after midnight of June 30, Governor Dewey put into operation the State law that he had readied and that was waiting on the shelves in order to take care of any untoward development affecting Federal control of rents. Possibly Governor Dewey had a prophetic feeling. But he was right, in any event. He was

not willing to rely on what this administration might or might not do to protect the public interest incident to rent controls. Naturally I am proud of New York State's position and that we have a governor who knows not only when to move but who has planned the right move; and who is not put in the ludicrous and sorry position of an executive who guesses wrong, acts wrong, and who seemingly can do little but to recommend, and regret and get nowhere.

Mr. GWYNNE of Iowa. Mr. Speaker, the veto by President Truman of the latest version of the so-called price control law has once more put before the country the question of what to do about price control and prevention of inflation.

The bill passed by the House for the extension of the price-control law was, on paper at least, an improvement over the old one. The same may be said for the bill as it passed the Senate. In my judgment, the bill finally agreed upon was not as good as either.

Congress is now being asked to pass temporary legislation keeping the old law in effect for a short period while we determine what should be done next. While the extension will probably be granted, nevertheless, I wonder what good will be accomplished by it. Is it not another postponement of the great decision which sooner or later must be made?

A strong majority of Congress and of the country want a return to competitive private enterprise at the earliest possible date. There is some difference of opinion among this group as to when the return should be attempted. Congress has been trying to chart a course which would provide for a gradual return. It has sought to set up machinery for de-control when the supply of a particular product approximated the demand. The OPA on the other hand has abundantly demonstrated that it will maintain controls as long as it can. After months of honest effort, all attempt to reconcile these widely divergent views have failed. It is difficult to see how any different result would be reached in the next few weeks.

After all, what is the real difficulty? Is it not in the maladministration of the law by the OPA? The Washington cell of the gigantic machine has been manned by people who have done no more than render lip service to the free enterprise system. Whenever a decision had to be made between capitalism and socialism, its decision was usually on the side of the latter. For example, amendments have been made by both the House and Senate to require ceiling prices to reflect costs plus a reasonable profit. It was always my view that the original law contemplated that very thing. The Congress has consistently sought to outlaw profiteering; the OPA has done its best to eliminate profits.

The OPA, through its spokesmen, has proclaimed its willingness to abandon controls when the supply was abundant. But their conduct has been to the contrary. The real difficulty with meat has not been in the short supply. There are more cattle than ever. Packing plants are adequate and now that the war is over, there should be no shortage of labor. The trouble lies in the black

market which the OPA does not seem able to stamp out. Consequently, legitimate packers are idle and there is a scarcity of meat at regular dealers. The largest producer of oatmeal in the country was closed a short time ago. Creameries are greatly handicapped by OPA regulations and many of them are not operating. Farmers are uncertain what to do.

There may be a difference of opinion as to what to do next but there is general agreement that the present attempts at price control have been futile.

As the real trouble lies in the administration of the law, why not apply the only remedy that will be effective. The OPA has grown to be a gigantic octopus, strangling the life out of the country. If the law is allowed to expire, that does not mean that Congress is powerless to take whatever steps are necessary to protect the national economy. It has been suggested, for example, that control of rents is still needed. If that be true, why not pass a simple law covering rents and provide that its enforcement be put in the hands of local people. I am satisfied the people would cooperate and that better results would be secured in this manner than through some large bureau in Washington trying by multitudinous regulations to regulate details in the far reaches of a great country.

Eventually we must return to the American system of competition and free enterprise. How much longer can we postpone that return without creating a situation which will make the return impossible? Private enterprise and free government are dying all over the world. Has not the time come for this great country to reaffirm its confidence in the type of government which has made us the greatest Nation on earth.

The people say we are taking a great chance if we do not continue OPA as our guardian. That may be true. But are we not taking a greater risk in allowing an ever growing bureaucracy and expanding government controls to sap our independence, our vitality, and our courage?

Mr. JOHNSON of California. Mr. Speaker, I am none of those who believes in price control. The particular thing which I think we should retain is rent control. The area from which I come is so short of houses that without rent control prices might soar to unpredicted elevations. We are in a curious situation at this moment. The Congress passed a Price Control Act after very prolonged hearings before the committees of both Houses. When the bill was before the House, numerous amendments were submitted. I voted against all of the amendments but two of them. The bill which we passed was changed by the Senate. The conference committee finally agreed upon the bill and the matter was submitted to us for our ratification. I voted for the conference report. The Speaker expressed my viewpoint in much better language than I could myself. Therefore, I am taking the liberty of quoting his statement at the time we were considering the conference report which contained a bill which the conferees have agreed upon. Here are his words:

Two elements are warring against this conference report. One of those want no price control at all. If this conference report is voted down, they will have their way. Others say that they want more control than is contained in this bill. If this conference report is voted down, they will get nothing because there will not, in my opinion, be any price-control legislation at all. If this House will not vote up this conference report, it certainly will not vote for a continuing resolution and continue the law as it now stands. Even though the House were to pass a continuing resolution, the leaders of the Senate are doubtful if it has a chance on earth to pass there. So if we want to control any kind of food prices and if we want to control rents and not have people turned out into the streets—as they will be turned out—the only alternative is to vote up this conference report. The responsibility is here. I will not, as far as I am concerned, by my vote here this afternoon shoulder the responsibility of killing all price control.

We all know that the President vetoed the bill. That is his constitutional privilege but I for one was willing to take the bill that was agreed upon rather than gamble on having no price control.

There are other items in which we should retain price control, such as food, clothing, appliances, and so forth. Decontrol should be gradual rather than abrupt and the bill which was vetoed did provide such decontrol.

However, not being able to get the kind of a bill I wanted I was willing to accept the best kind of bill that Congress would adopt. It is significant that in voting upon the conference report 265 Members voted for it, including many strong advocates of price control and including the chairman of the committee which wrote the House bill, the ranking Republican Member and the ranking Democratic Member, the majority leader of the House, and the minority leader.

When the President presented his veto we were confronted with this situation: The law would expire the following day which was a Sunday. The problem was, Shall I vote to sustain the veto and thereby take a chance of completely giving up price control or shall I vote to override the veto and accept the bill which all of the leaders in both Houses of Congress said was the best bill that could be gotten out of this Congress? I chose to take this bill and I voted to override the veto. However, not enough Members voted to override the veto and therefore although only a minority of the Members of the House voted to sustain the veto the law was killed.

We are now confronted with the problem of revising the law which was killed by a minority number of the House Members plus the President's veto.

While I intend to vote for the resolution granting 20 days in which the former price control bill shall remain in effect I have little hope of getting any more in the way of price control than there was in the bill that the President vetoed and which was adopted by the overwhelming vote of the House. To me it is very unfortunate that the President disregarded the advice of the leaders of his party in both Houses of the Congress, of the Speaker of the House and the President of the Senate. Uncertainty has been cast into the situation. No one

knows what is going to happen and all production will be on an uncertain and in some cases on a chaotic basis until a new law is passed or rejected. The result may be that we will have no price control at all although I am predicting that we will perhaps obtain about the same type of bill which we have approved prior to the President's veto.

Unfortunately the public has been inflamed unnecessarily by a very partisan discussion as to the effects of the bill upon which the Congress finally agreed. There are many able and disinterested people who believe that this bill would be workable and in any event it would be far better than no bill at all. Some of the weird administrative monstrosities which the OPA put into effect is what created the violent opposition to the OPA. The unfortunate thing is that because of this the American public may reap the whirlwind of the administrative inaptness of the OPA. I am hoping that we can get a workable bill with perhaps a little more control than the former bill contained but at the present time this looks extremely doubtful.

Mr. MURDOCK. Mr. Speaker, it is not often that I ask for time to speak on a resolution from the Rules Committee making in order the immediate consideration of a measure in the House. During the 10 years that I have been a Member I do not believe I have asked for this opportunity 10 times. I do not believe I have asked the privilege on an average once a session. The time is naturally limited on the rule and usually I prefer to speak on the measure itself in general debate or on amendments. However, this time is an exception, because it is urgent and because I am for the measure without amendment as this resolution makes it in order.

This legislation is of transcendent importance. Our country is in an appalling economic crisis. Very much depends upon our decision. I am ascribing sincere motives in many of the moves I have seen in connection with this, both friendly and unfriendly to OPA, and, while I may be naive, there seem to be as many close questions on which my colleagues differ, perhaps as many controversial but valid contentions, as there are fallacious arguments. Of this one thing I am sure, that the vast majority of American citizens want, demand, and must have continuation of price controls on the necessities of life until such a time as supply and demand are about equally balanced. If the Government fails to furnish those controls, the Government has fallen down in its duty. I have by every act and vote of mine, directly or indirectly connected with OPA, endeavored to support the Government in the fulfillment of this solemn duty to all American citizens.

We have heard a lot of sophistry today and last Saturday and for many previous weeks, in regard to who is to blame for the present predicament and what ought to be the proper course of action and what is the real significance of this or that vote on the various proposals touching OPA. When I hear lawyers on opposite sides of a controversial question, and often members of opposite political parties, using arguments that sound so

persuasive, and yet I know are as full of holes as a colander, I think of that lawyer of whom Abraham Lincoln spoke who could by a clever arrangement of words prove that a horse chestnut is a chestnut horse.

As I have listened through hours of this discussion I have felt within my own heart almost convicted by their arguments of inconsistency. Some arguments are so powerful they make black look white. I know solemnly that I wanted to preserve and continue as long as necessary an effective and sound OPA, but some of the sophisticated political reasoning, which have been expressed today have almost convicted me of having killed Cock Robin.

Yes, I voted on April 18 for the OPA extension bill when it was up for final passage originally in the House. Does that mean that I went off the deep end in my enthusiastic support of it? It certainly does not—not of that measure. My "yes" that day on April 18 was a very feeble "yes" to a measure that had been emasculated the day before by many crippling amendments. The RECORD will show that on every roll-call vote taken in the House on April 17 I voted "no" because I felt that these amendments were dangerous amendments. I voted "yes" on final roll call only that we might have a bill on which the other body, in our two-Chamber National Legislature, could work in order to keep price control beyond June 30.

When the conference report came back to the House on June 25, I was little better satisfied with it than I was with the House version on April 18, but not being an expert in such intricate business problems I felt that although business undoubtedly had the advantage in its general nature and provisions, this bill was better than nothing and therefore I voted for it on agreeing to the conference report. However, when a ringing veto came from the President on June 29, and my eyes were open to things that I had not seen before, I voted to sustain the President's veto. He said it was an impossible proposal. I agree with the President that if we are going to have wild, runaway inflation, and that such is inevitable, we had better have it without a law than to have it encouraged—yes, guaranteed—by a law which I by my vote helped to pass. Yes; the President did ask for it, asked several times, but he asked for bread and we gave him a stone.

What then is our present problem? Clearly it is our duty to extend the present OPA law as is for a short period and meanwhile attempt to write a law which will contain only the necessary controls, and also provide for decontrols where such controls are no longer needed. I agree with my colleague who said we had spent more than 20 weeks writing a measure according to the pleasure of business and looking after business interests and profits, therefore the Congress of the United States might very properly give at least 20 days to safeguarding the interests of the American people. I shall vote for the proposal to extend OPA for 20 days and hope that decontrol provisions may be written into law to ease the transition from wartime economy to peacetime economy in a safe and sane

way. Let us remember that we are dealing with the very lives of our people, as we legislate on this vital matter, dealing with lives just as surely as we did during and just preceding the war. It is a solemn thing to deal with human lives.

Mr. ROESION of Kentucky. Mr. Speaker, the rule under consideration makes in order for the consideration by the House, House Joint Resolution 371. Without legislation the OPA terminated on June 30, 1946. Bills were introduced in the House and Senate to modify the OPA and to extend its life. These bills were referred to the Committees on Banking and Currency of the House and Senate. Both committees gave everyone an opportunity to testify for and against the bills and to make recommendations and suggestions. Each committee, after these extensive hearings and many executive sessions of the committees, reported their respective bills to the House amending and modifying the OPA Act.

The House, after long debate and consideration, passed a bill by an overwhelming majority and the Senate did likewise, and as there were some differences in the two bills, they were referred to a conference committee made up of Republicans and Democrats from the Banking and Currency Committees of the House and Senate. After 2 weeks of consideration, this able conference committee agreed on a compromise bill and made a favorable report to their respective Houses. The House and Senate adopted the conference report by an overwhelming majority and then it went to the President and was vetoed by the President. We received his veto in the House last Saturday, June 29. While a substantial majority of the Members of the House voted to override the veto, they lacked 34 votes of having a two-thirds majority. Nothing could be done to restore OPA, which expired on Sunday night, June 30. The veto of the President killed the bill.

Speaker RAYBURN, Democratic Majority Leader McCORMACK, and Mr. SPENCE, author of the OPA bill, urged the House to accept the compromise bill and stated that unless the compromise bill was accepted there would be no legislation on OPA at this session of Congress. The gentleman from Michigan [Mr. WOLCOTT], the ranking Republican on the Banking and Currency Committee and one of the conferees, and other Democrats and Republicans, made the same statements, and we are advised that Senator BARKLEY and other administration Democrats and leading Republicans urged the Senate to accept the compromise bill, and the House and Senate did accept the compromise bill by an overwhelming majority. These Democratic leaders of the House and Senate and strong friends of the President called on him and urged him to sign the bill, but no doubt to their surprise, as well as to the surprise of the Members of the House and Senate and the country, he, at the request of Bowles and some other New Dealers outside of the Congress, vetoed the bill. It came to the House on Saturday, June 29. It takes a two-thirds majority to override the veto of the President. Through the strong

pressure of the administration, less than a two-thirds majority voted to override his veto, although a substantial majority did vote to do so. Therefore, the veto of the President killed the OPA legislation. Very few persons expected him to turn down four and a half months of earnest work of Congress on this important subject and turn down the recommendations and advice of his congressional leaders in the House and Senate.

Of ours, Mr. Bowles and his OPA'ers and some other left-wingers are very happy. Now the President and his New Deal friends are very unhappy. They are busy putting out propaganda trying to blame this situation on a few Republicans. They are busy again trying to deceive the American people. The President and Chester Bowles must carry the full responsibility of killing OPA. You may ask why they wanted to kill that OPA bill. That bill was the only thing that could have extended the OPA. There were several reasons. The bill took from the OPA the control over food prices and placed this authority in the hands of Mr. Anderson, the Secretary of Agriculture, who has had actual experience in cattle raising and stock raising and other agricultural activities. He also served for many years on the Committee on Agriculture of the House and was a member of that committee at the time he was appointed Secretary of Agriculture. The OPA'ers certainly did not want that done.

The OPA has had turned over to it billions of dollars in the way of subsidies. The bill provided for the elimination of some subsidies now and the gradual elimination of others so that all subsidies would have ceased by December 31, 1946. The OPA'ers wanted to play with these billions of dollars of subsidies and to fool the American people. These billions were used to help pay the grocery bills and store accounts of the rich as well as the poor widow. Of course, we had to borrow the money and thereby increase the national debt. This was clearly unjustified. When the American people had more money to expend than they had ever had, why should the Government borrow the money, increase the national debt and taxes, to pay the grocery bills and store accounts of the rich people of this Nation and then Bowles and his crowd took credit for reducing the prices on commodities and consumer goods? Mr. Wallace and some other New Dealers had told the people of the Nation that wages could be increased from 30 to 50 percent without increasing the price to the producers. Of course this was ridiculous, but they tried to force the producers to absorb these enormous increases of wages and costlier materials in production with the net result that hundreds of thousands of small businesses were put out of business and thousands of others were forced into the black markets to save their businesses, and this all meant a slowing down of production.

Every one who knows anything about the subject knows very well that scarcity of consumer goods forces prices up, creates black markets, destroys the equitable distribution of available consumer goods and increases the threat of

inflation and the real answer to the control of prices is plenty—an abundance of consumer goods to meet the great demands of the people. We cannot have abundance without full production. We cannot have full production unless the producers, processors, and distributors of consumer goods are given a price that will cover the cost and a reasonable profit. Mr. Truman and his New Dealers entertained the unsound economic policy that you could have full production, processing, and distribution without a fair and just price that would take care of the cost as well as a reasonable profit. Mr. Bowles and Mr. Wallace have many admirers urging that the OPA continue as is and without any profit motive and without the producers being assured of even the cost of production. This might work in totalitarian countries for whom we are now stripping our country to provide food and clothing but it will not work in free America. Each one of us should be willing to pay such price for our products and goods as will enable the producers, processors, and distributors with proper management to pay the cost of production, good wages, and a fair profit.

The bill that the President vetoed also contained a provision for the final ending of the OPA. That, of course, was one of the bitterest pills for Mr. Bowles and his wrecking crew. As we have stated, the bill had many other splendid features. There was almost unanimous agreement that there should be reasonable rent control until the housing shortage could be relieved. Mr. Truman, by his veto, killed rent control.

THE FOUR IMPORTANT OBJECTIVES

We have now had OPA for more than 4 years. The Congress in establishing the OPA contemplated four important objectives: First, to stabilize prices; second, to provide for an equitable distribution of available supplies; third, to prevent black markets; and, fourth, to lessen the danger of inflation. Ninety-nine percent of the American people must know by this time that not one of these objectives was achieved, although the OPA was given the power and billions of dollars to accomplish these purposes. No one has ever possessed greater power than the OPA and they even exceeded those powers by their Executive orders, rules, regulations, and interpretations. It was strictly a war emergency measure and was never intended for peacetime.

The administration has had the Congress to appropriate four and one-half billion dollars—\$4,500,000,000—for subsidies alone. The OPA has had hundreds of millions of dollars for propaganda and to administer the OPA Act. They have had a veritable army of Federal officeholders.

FAILURE, FAMINE, CHAOS, AND DISCORD

After having exercised all of these extraordinary powers, spent billions of dollars, and harassed the American people for the last 4 years, what do we find? Failure, famine, discord, and chaos. The lives and health of tens of thousands of the American people have been and still

are threatened because of the lack of nourishing food. Livestock and poultry have starved to death. Hundreds of thousands of business concerns have been bankrupted and destroyed. Working people have been forced to quit their employment because of lack of food. The wives, mothers, and daughters of this country were willing to stand in line for hours to get a piece of meat, a quarter of a pound of butter, a little sugar, and a few vegetables to feed and nourish their families. They thought and we believed that when the war ended in Europe 15 months ago and especially when it ended in Japan nearly a year ago, that they would be relieved of this burden and that we would have more food; but as the weeks and months have come and gone, we find less and less food, prices have soared all the way from 25 to 200 percent on many necessities. More than 75 percent of the transactions in consumer goods and especially food, lumber, and clothing, are handled in the black markets or in some elements of the black markets, either in actual overcharges, shortage of weights, lack of quantity, or lack of quality.

The black market is one of the greatest curses that has ever come to a great people. Through the mismanagement, tyranny, oppression, favoritism, and corruption of the OPA, millions of honest Americans have been forced to resort to practices that are entirely foreign to our great people. The people of my district and others have appealed to me to aid them to secure food and feed and to have allocated to the grain-processing mills corn, wheat, oats, and barley, but we have been told recently that there is no corn or wheat available. This administration caused the black marketeers to leap with joy when our Government became the greatest black marketeer of all in the Nation. A ceiling price was placed on corn, wheat, and other grains. The owners of these grains could not sell them to the mills for more than the OPA price and the mills could not pay more than the OPA price, but the Government came along and told the owners of wheat and corn: "If you will sell your corn and wheat to the Government and make it available for this country to ship to foreign countries and give it away, the Government will pay you 30 cents a bushel above the OPA price." What is the result? We had hundreds of millions of bushels of corn and wheat made available for shipment to foreign countries, but over 90 percent of the wheat and corn mills of Kentucky and the Nation were closed down and the American people find themselves faced with famine.

The Government itself, as we all know, broke the OPA line in prices as well as in wages and cost of materials. We must get back to honest business, free competitive enterprise, constitutional government, and the real American way of life. We must get away from regimentation, from tyranny, oppression, favoritism, and corruption in government.

THERE MUST BE A CHANGE

Mr. Bowles and the President want the Congress to continue OPA as is, with one

of the blackest records of any governmental agency in the history of this Nation. There must be a change. These conditions cannot go on. It will turn this great, free country into a totalitarian government. The liberties of the American people will be wiped out. The Congress, by an overwhelming majority, attempted, after months and months of careful study—in fact, after observing the OPA and its doings for more than 4 years—to make such changes as would correct these conditions, restore honest, private enterprise, eliminate the black markets, and lessen the threat of inflation. There will be temporary rises in prices. In fact, the OPA planned to increase prices. The new prices were already set up. Some increases were absolutely necessary. The Government, out of the tax-and-bond money of the people, had been paying from 4 to 9 cents a pound in subsidies on grocery bills and store accounts of the people. The subsidies will be cut out.

The increase for the railroad workers and the increase in prices for steel and other materials made it necessary to increase transportation rates and this was applied to the consumers of coal. The cost of bituminous coal production was increased on an average to about 50 cents to 60 cents a ton and anthracite coal more than 90 cents a ton. All these things helped to increase the cost of production and, therefore, there had to be some substantial increases under the OPA, but let us not forget whatever bad conditions we have had, up to this time, have been under OPA and if the resolution is adopted by the House and Senate that is now before us, extending the OPA until July 20, then whatever conditions are prevailing up to July 20 in the way of prices, black markets, lack of consumer goods, and threat of inflation, must be justly laid at the door of the OPA.

I voted for the amended OPA bill. I voted to pass the bill over the President's veto, and if the President had signed the bill or if two-thirds of the Congress had voted to override his veto, we would not have the disturbed conditions in the country today. Of course, the President and the OPA'ers have become alarmed and they now insist that we extend the OPA for 20 days to see if some bill cannot be worked out to save the situation.

An overwhelming majority of the House, including myself, will likely vote to give 20 days' time to see if some legislation cannot be worked out that will be fair and just to the American people as well as to the producers, processors and distributors of this country. The President's leaders in the House and Senate have expressed the opinion that they did not believe a better bill could be passed than the one the President had vetoed. I certainly will not vote for an OPA bill without modifications that will prevent conditions that have been prevailing under Chester Bowles and other OPA officials. I do not propose for the people of my district to continue to suffer from the maladministration and oppression of this group of bureaucrats here in Washington. If the President would name an honest and

able administrator who believes in the American way it would help.

The Democrats have a majority on each and every committee of the House and Senate. They have a substantial majority in the House and Senate. If Mr. Truman would quit listening to the PAC and other radicals and left-wingers and give more consideration to his own leaders in the House and Senate, a bill could be worked out that would provide for the gradual closing out of the OPA, with full protection to the American people and unless such a bill is passed, I certainly reserve the right to oppose it by my voice and vote.

In extending this resolution, it is the purpose of the overwhelming majority of the House to take away from Mr. Truman any excuse to cooperate with the House and Senate in bringing about a solution that can be approved by the representatives of the people in the House and Senate and that will be fair to the American people generally as well as to the producers, processors, and distributors of products, goods, and supplies. If the President and his party want to pass some bill, they have the votes to do so. The President and his party killed OPA and it is now up to them, with their majority and control in the House and Senate, to back such a bill as can be approved by the Congress and that will be just and fair to the American people.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

(Mr. GAVIN asked and was given permission to revise and extend his remarks.)

Mr. GAVIN. Mr. Speaker, I listened with a great deal of interest as my distinguished, able and good friend from Massachusetts the majority leader again rose to great heights. I think we should clarify the situation here today as to who is responsible for the situation that exists. Therefore I shall read the remarks of the distinguished gentleman from Texas, the Speaker of the House, delivered here several days ago. He said:

If this conference report is voted down, they will get nothing because there will not, in my opinion, be any price-control legislation at all. If this House will not vote up this conference report, it certainly will not vote for a continuing resolution and continue the law as it now stands. Even though the House were to pass a continuing resolution, the leader of the Senate is doubtful if it has a chance on earth to pass there. So if we want to control any kind of food prices and if we want to control rents and not have people turned out into the streets—as they will be turned out—the only alternative is to vote up this conference report. The responsibility is here. I will not, as far as I am concerned, by my vote here this afternoon shoulder the responsibility of killing all price control.

So we followed the leadership of the distinguished gentleman from Texas, who in a very sincere, honest, clear, and aggressive manner presented the whole situation to us, and we acted on his recommendations, it was vetoed by the President and now it is again brought back to the House for reconsideration and vigorous appeals are made to continue it, after 435 duly elected Members of the

House of Representatives and 96 duly elected Members of the Senate have taken action expressing the will of the American people, which is now to be denied by the veto. We are asked again to renew it. The time has come when the responsibility should be placed where it rightfully belongs.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the balance of my time to the gentleman from New Jersey [Mr. MATHEWS].

Mr. MATHEWS. Mr. Speaker, my time is short but there has been one point raised here this morning which is extremely important and which was referred to several times, particularly by the gentleman from Virginia [Mr. SMITH] with reference to the statement that section 4 of House Joint Resolution 371 extended this act or revives it. I do not see how anybody can come to that conclusion from a reading of the resolution. The resolution attempts to amend two sections and then provides in section 4 that the provisions of the joint resolution, that is, the amendments, shall be retroactive as of yesterday. I submit to you that you cannot amend an act which has gone out of existence no matter how much you provide there for its retroactivity. You may revive it. You may revive it with amendments but you cannot, it seems to me, amend an act which has gone out of existence. It seems to me legally impossible to amend an act which has gone out of force by its own provisions and then attempt to make your amendment retroactive. In my opinion, if you consider this resolution and vote it up and then consider House Joint Resolution 371 and vote for that, you will be doing a nugatory thing, and in the meantime there will be more uncertainty as to whether we have price control or not. In my personal opinion, the thing that the people of the United States need most, whether they have price control or not, is certainty. They want to know where they are going.

The SPEAKER. The time of the gentleman has expired.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. ROBERTSON].

(Mr. ROBERTSON of Virginia asked and was given permission to revise and extend his remarks.)

Mr. ROBERTSON of Virginia. Mr. Speaker, week before last I visited the great State of Wisconsin. I was privileged to speak before a splendid group of Wisconsin sportsmen. I did not speak altogether about conservation. I spent a good deal of time talking about the principles of government in which I believe and what I thought would be good for the country. After the meeting was over one of the members of the audience came up and whispered to me, "I am a Democrat." I assumed that the rest of them were Republicans. They knew I was a Democrat. But in all my life I have never received a more cordial and enthusiastic reception than I got there that night in Wisconsin. It forced home to me this vital and fundamental fact, that there is a bond of fellowship between those who entertain certain fundamental beliefs and who are willing to put the welfare of their Nation first,

above group interest. I come to you today not as a Democrat but as one who, like you, loves his country, who is patriotic, and who wants to see the progress of America sustained and does not want to see an uncontrolled price boom followed by a depression which we would not be able to survive with a public debt of \$265,000,000,000. That would mean economic chaos which would not only destroy our country economically but might ultimately imperil our cherished traditions and institutions. We met this morning to hold memorial exercises not to honor a Democrat but to honor the memory of a President of the United States.

In opening those ceremonies our Chaplain prayed, "O Lord, purify the thoughts in our hearts with the inspiration of Thy Holy Spirit." I tell you the root of our trouble today is selfishness. It did not start with World War II, but it started with World War I. A group of war millionaires was made and a group of industrialists profited from the tragedy of war. They proceeded to take off the restraints after the war was over and cut down taxes, which were needed to control inflation and pay the public debt, until their program ultimately collapsed with the stock-market crash of October 29, 1929, and we were plunged into a depression. Before that the farmer, workingman, and the white-collar man had suffered, and in the depression we all suffered. Those who William Allen White said believed that God presided over a 6-percent heaven and all was well with the world realized that they, too, lost in the depression that they had helped to bring upon us. The progressive principles of Woodrow Wilson were repudiated in 1920 for the reactionaryism and isolationism of Warren G. Harding. The patriotic unselfishness which had characterized our prosecution of World War I turned into a program of gross materialism. In his last message to the American people, delivered in August 1923, Woodrow Wilson warned us of the consequences of such a program. After discussing the causes of the revolution in Russia he predicted a world revolution if the people here and abroad continued to ignore the just aspirations of the masses and continued to make the selfish acquisition of material things their chief aim in life. He concluded that appeal by saying:

The sum of the whole matter is this: If our civilization is to survive materially, it must be redeemed spiritually. It can be saved only by becoming imbued with the spirit of Christ and made free and happy by the practices that spring from that spirit. Only thus can discontent be driven out and the shadows lifted from the road ahead.

Never in my life have I known more discontent or the road ahead obscured by darker clouds. And the root of our trouble is selfishness. We are called upon today to act on a resolution to temporarily continue the present OPA law, with the hope and the belief that we can work out a better one. In approaching that problem we would do well to recall the prayer offered by our chaplain this morning and to realize that we are not voting for or against a Democratic President or a Democratic administration. We are

voting to promote the welfare of a country which we all love and to protect institutions which we all cherish. There is not a Member of this House who desires to see rent control immediately ended. There is not a Representative of an agricultural district who believes that our farmers can successfully compete with organized industry in a mad scramble for upping prices. There is not a Representative of an industrial area who does not view with alarm the prospect of uncontrolled food prices. There is not a member of this House who does not know that in any given line of endeavor those who produce are fewer than those who consume, and that no program is a just and fair program which ignores the rights of the consumer. Yet all of us are besieged by pressure groups, most of which are seeking a selfish advantage.

When we entered the war and had under consideration a price control bill, labor strenuously objected to any effort on the part of the Congress to control wages. It finally worked out an agreement with the President which was known as the Little Steel Formula. In working out that formula, labor leaders selected the period of the highest hourly wage rates in the history of the country and refused to permit consideration of the take-home pay resulting from overtime. Future advances were to have been limited to 15 percent, but this year that formula was broken in the negotiation of new contracts calling for an increase of 18½ cents per hour. Those wage increases have resulted in increased cost of production, which must inevitably result in price increases else one of two things, and maybe both, will happen. Production will be stifled, or goods will reach the consuming public by way of the black market at prices above legal ceilings. When we undertook to frame a new wage law industry insisted on selecting the most advantageous period it had had in a period of 5 years in determining what was a fair profit, to which was to be added all subsequent increases in the cost of production. It is now quite impossible for the Congress to write a price control bill which will prevent further price increases. But Congress can and should write a new price control bill which will prevent inordinate increases and unjustified increases and which will assure the consumer a reasonable supply of scarce articles through legitimate channels of distribution while lifting price control from other items as the supply catches up with the demand.

And while we are working on a bill of that character, the Congress should continue the present act. We may not know the type of new bill upon which a majority of us can agree, but we all very definitely know what is going to happen in the absence of no price control whatever. There is in the Congress enough ability and enough patriotic regard for the general welfare to write a new bill if we be determined that our actions shall not be controlled by selfishness.

The SPEAKER. The time of the gentleman from Virginia [Mr. ROBERTSON] has expired.

Mr. SABATH. Mr. Speaker, I yield the balance of the time, 4 minutes, to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, section 4 of this bill reenacts the law as of June 30, 1946. I believe that is just as satisfactory and just as legal and constitutional as if you reenacted the text of the entire law.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania, a member of the Committee on the Judiciary of the House.

Mr. WALTER. I would like to call to the attention of the gentleman that this procedure is not without precedent. It was done when the dollar was devalued.

Mr. PATMAN. The Devaluation Act.

Mr. WALTER. Yes.

Mr. PATMAN. I thank the gentleman for his contribution. So it is not new. In addition, if it needed amending, the other body would have that privilege.

PRESIDENT NOT TO BE BLAMED

I do not see how anyone can vote against this resolution who believes in price or rent control. It is only asking for an extension of 20 days, in the hope that a satisfactory bill can be agreed upon during that time. I know that efforts have been made to blame the President of the United States, but I do not believe the President should be blamed, when the President in January sent a special request to Members of Congress to give speedy action to the OPA law, not to wait until almost the deadline; twice in May he asked the Congress to hurry and pass a satisfactory OPA law; and in the early part of June he renewed the request. Now, what held up this bill? In our Committee on Banking and Currency there were three or four Members who were opposed to OPA. I venture to say, and it cannot be successfully contradicted, they took up two-thirds of the time before that committee asking questions of Chester Bowles, Paul Porter, and other important witnesses.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I do not yield to the lady. I do not have the time.

Then, when the bill went to the other body, in that committee a few who opposed any kind of controls took up the time to delay and delay. The bill was delayed and delayed until it got to the President's desk one day before the day it would have expired by law.

Now, who is responsible for this? The Congress is responsible. Let us not add to that blame which we should assume by refusing a 20-day extension of a bill that was presented to the President so unworkable and so impossible to administer. The Taft amendment could not be enforced. It was absolutely impossible of enforcement or administration. People who have been on the committee, as I have, and listened to this testimony for 3 months at a time—we had Leon Henderson on the witness stand under cross-examination for three long months—know that the Taft

amendment was unworkable. We have spent months on this subject, over a period of several years, and I know that the Taft amendment that was in the other bill could not be enforced. Are we now going to blame the President for vetoing an unenforceable law?

I ask that this resolution be passed.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution. The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 371, extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 371, extending the Emergency Price Control Act and the Stabilization Act, with Mr. COOPER in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Kentucky is recognized for 5 minutes.

Mr. SPENCE. Mr. Chairman, I do not delude myself by thinking that I can persuade the Members to vote in any way other than the way they have already made up their minds to vote.

Mr. Chairman, we are at the threshold of something that may mean much to the weal or the woe of the American people. Nobody that I know of denies that there is still the economic pressures making for inflation as great as those that existed during the war. I am no prophet, I do not know what the result will be if we take all the lids off at this time; but I feel a great catastrophe would come on the American people.

I hear a great deal of talk about propaganda. Do not think it is propaganda that brings about this condition. There is a psychological condition sweeping over America. You talk to the common man and woman on the street and they have fear in their hearts because they know that if we make a mistake the savings of their lifetime and the purchasing power of the money they earn may be largely dissipated. I do not want to take the responsibility.

It is said that if we agree with the President we retreat. We do not retreat. I do not retreat. The Committee on Banking and Currency reported a bill to the House that I am confident the President would have signed. But it was scuttled on the floor of the House and it was scuttled on the floor of the Senate. The pressure groups had their amendments adopted, and those were the amendments the President objected to.

I voted against all of them because I could see that the catastrophe might result that has resulted, and there was no other thing to do but to go along as best I could.

We had to present some bill. I was hopeful that the bill would be workable. When we went into conference the area of difference was not great. Both bills were bad, but we had to accept the best bill we could get out of the material we had. The President said it would not work. He said he could not make it effectively operate. I was hopeful that he could. I wanted to avoid what has happened, but if he cannot make it work he was most courageous and honest in the stand he took.

We have come back here and asked for 20 days. I have been asked if I can assure you that we will have a bill in 20 days. I cannot. I cannot assure you of anything. But certainly it is not an unreasonable request to ask the Congress to give us 20 days in which to attempt to work out a solution of this problem. I am confident you will do that.

Politics has been brought into this matter. I tried to be fair in the committee. I tried to give everybody a chance to be heard who wanted to be heard. The critics of the bill and those who were opposed to most features of the bill took up four-fifths of the time interrogating witnesses. Then we are charged with delay because the bill was not brought in here in ample time. If we had not done that we would have been charged with unfairness. I believe if you do give us 20 more days, we may work out something that will meet with the approval of the President. I am certainly hopeful of that or I would not be urging that we be given the 20 days unless I thought we could accomplish that purpose.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield myself two additional minutes.

Mr. Chairman, in light of the great emergency that presents itself at this time, it certainly should be the policy of the Congress to give this committee time to do something that will conform to the wishes of the President, something that he thinks can be effectively used in carrying out the purposes for which the price control law was enacted.

We will continue price control, we will continue rent control, we will continue the Stabilization Act for those 20 days. Price control and rent control are so inseparably connected in one picture that it is impossible to consider one without the other. We must give complete relief to the American people or we can give them no relief at all.

I hope you will set aside political considerations, though we have heard political speeches here. This transcends political questions and political interests, and besides, nobody is going to make any political capital by destroying price control at this time.

I desire to make the explanation of House Joint Resolution 371 section by section.

Sections 1 and 2 of the extension resolution merely change the expiration date

of the Emergency Price Control Act and the Stabilization Act of July 20, 1946.

Section 3 gives the authorization for the continued payment of subsidies during the short period of extension provided for by sections 1 and 2. Just extending the act would make effective the last paragraph of section 2 (e) of the Emergency Price Control Act which prohibits the payment of subsidies by the Reconstruction Finance Corporation or the Commodity Credit Corporation unless funds have been specifically appropriated. Since subsidies relating to price control are paid for out of revolving funds, this clause would not permit the payment of subsidies during the extension period. Therefore, section 3 specifically authorizes the payment of subsidies during the extension period on just the same basis that subsidies were being paid on June 29, 1946. No new subsidies would be undertaken in this period.

Section 4 covers the problems arising from the fact that there will be a gap between the original termination date of the act and the enactment of the extending resolution. If the resolution did not specify an effective date, the enactment of the resolution would reenact the Emergency Price Control Act and the Stabilization Act as of the date of enactment of the resolution. It would then probably be necessary to reissue all regulations and orders fixing prices and rents, and other problems would arise because of the interruption to the effectiveness of price and rent controls. By specifying that the effective date of the resolution should be June 30, 1946, the Congress would make it clear that there was no interruption to the continuity of the acts and regulations and orders issued under them. But if the law were made retroactive with respect to violations of regulations or orders after June 30, 1946, it would conflict with the constitutional prohibition against ex post facto laws. Therefore section 4 specifically provides that the resolution shall not operate retroactively with respect to offenses committed after June 30, 1946, and that no actions may be brought with respect to such violations. The result is that the continuity of the laws will be preserved so far as it can be done constitutionally.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there has been presented to us a very unfortunate situation. One, I might say, that is no little embarrassing to all of us who were sincerely and conscientiously in favor of the continuance of price control but in such a manner that we would get maximum production. I am afraid that the action taken by the President has destroyed all control which we ever have had over the objectives of the House in controlling prices, and at the same time getting adequate, sufficient production, to prevent inflation.

The theory of the bill was that when the President broke the wage price line, that effective price control no longer existed, and that the only thing which would save this country from inflation was production, production, and more

production. Notwithstanding any action which this Congress takes or might have taken, notwithstanding any action which the President took in respect to the bill which was sent to him, prices are going up within the next few days, and I know that if they follow their usual bent many of the people who have been denouncing the action taken by the House are going to blame the Congress for the increase in these prices. But the OPA was about to announce an increase in the price of many commodities to absorb increases in production costs; they were about to announce increases in the prices of many commodities, because today is the effective date of the increase in transportation costs on many commodities. Of course, the President, having vetoed the bill which provided for the payment of subsidies, he has wiped out all possibility of subsidies being used to adjust our economy in such manner that it will not feel the impact of suddenly taking these subsidies off.

Under those conditions, of course, prices are bound to go up slightly, anyway, within the next few days, and would have gone up regardless of what action the President took and regardless of what action we had taken.

I am not going to vote for this resolution. I do not see how I can consistently vote for this resolution after I have told this House that after the House and the Senate and the conferees on the disagreeing amendments have striven for months to harmonize all the differences in this bill, after the statement was made that that was the very best bill which could possibly be enacted, that statement being made by the leaders on both sides, a statement which I honestly and conscientiously believe. Because I believed it I advised you at that time that the President might be justified in the public mind in vetoing a bill with specific decontrols in it, but would not be justified in vetoing a bill without specific decontrols, and I told you, as did the leadership on both sides—and I was merely reflecting their attitude when I told you this—that if you voted to eliminate these specific decontrols it would put you in a position where you could safely and justifiably refuse to vote for a continuing resolution, and that if in the face of that condition, where we had gone just as far as we humanly could go to make the bill satisfactory to the President before it was enacted, he vetoed the bill, then he must take the consequences.

I cannot consistently vote for the continuation of this bill because of that, but I might say that if it is in the wisdom of this Congress that we continue these price controls for 20 days or 15 days or any other length of time, then of course we will go to work on it. The Committee on Banking and Currency will probably report out again the same kind of a bill it reported out in the first place, which was not and would not be responsive to the will of this House. The Committee on Banking and Currency of the Senate will likewise report out a bill, undoubtedly, which would not be reflective of the attitude of the Members of the other body. So there we are on the wheel again, we can keep going 'round

and 'round and 'round. But in the meantime, because of the President's attitude, those of us who wanted to control prices and those who thought that that was the way to do it, those of us who were conscientious in the belief that price control should be continued in such a manner that full production could be obtained, have lost all control over the situation now. We have no control over that.

I would not get up before this House and seek to contend successfully against the attitude which was existent here for specific decontrols, and I would not think that under the circumstances I could say to the Senate conferees, "You shall eliminate these specific decontrols or otherwise the President might veto the bill," because he has already done it. So we have lost control over it. The Senate will write specific decontrols in the bill. The Senate will not pass this continuing resolution. What you are going to get back in consequence of passing this continuing resolution is perhaps just the same thing you sent to the President, and probably from his standpoint very much worse.

In the meantime, we have to do something with respect to the control of rents. Immediately after the consideration of this resolution I am going to ask unanimous consent for the immediate consideration of a joint resolution which has for its purpose the reenacting and continuing of the effective control and stabilization of rents for housing accommodations. The resolution provides that any and all of the provisions of the Price Control Act of 1942, as amended, in respect to rents are reenacted and continued for a period of 1 year. We can eliminate from these disputes with respect to prices generally this question of rents. We gave the country the assurance that rent control would be continued. I do not think there are very many people in the House or in the Senate who successfully contend that we do not have to control rents during this period of housing scarcity. It would be catastrophic if we did not continue rent control. So in order that there might be good faith and in order that we may do what we wanted to do and what we understood we were doing, I have offered this resolution so that the question of rent control can be completely divorced from this controversy as to whether this temporary resolution shall be adopted or whether some bill may be agreed upon at some later date. I hope no one will object to the present consideration of the resolution when it is offered by me. I hope it will pass, and in that way we will guarantee to the people that rent control will not be affected by any action which we may take or neglect to take within the next year.

Mr. ROBSION of Kentucky. Of course, the bill which passed both the House and Senate and which was sent to the President and then vetoed by him expressly took care of the matter of rent control, did it not?

Mr. WOLCOTT. The gentleman is absolutely correct, and in vetoing the bill the President, of course, at the same time allowed rent control to lapse on June 30.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. McDONOUGH. Will the gentleman explain the situation that may exist in the interim between now and the time that the bill is enacted? Goods are being billed now at prices on which there is no control. Will the reenactment of the bill affect such cases? Is it retroactive? Is there a free market now?

Mr. WOLCOTT. I think the resolution should reenact the provisions of the Price Control Act. I think that is what they intend to do by the last paragraph. It presents a very interesting academic legal question, but probably one which will not affect price control or any action which we may eventually take.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. THOM].

(Mr. THOM asked and was given permission to revise and extend his remarks.)

Mr. THOM. Mr. Chairman, I am greatly surprised to see that there is so much divergence of opinion about the passage of this resolution. The newspapers carried a very vigorous and forthright statement by the chairman of the Republican National Committee, the gentleman from Tennessee, Hon. CARROLL REECE, calling upon the Congress to reenact price control for scarce articles as well as rent controls. It seems to me that that statement ought to have brought a substantial unanimity in the House to the effect that some kind of price control is necessary. However, members of his own party do not seem to respond to his call. I am sure that he has expressed the feeling of the country.

The whole country is looking to the House of Representatives for action today. We have never had a similar economic condition in which there was so much uncertainty. No man can make a contract. No man can foresee what he can do in the future so far as business is concerned. Landlords and tenants are without knowledge as to what they are going to do in the future. Contracts are expiring. If you think the Congress is going to escape the burden of responsibility, I fear you will find yourselves greatly in error because the people know that the President is calling upon us to help solve this problem and it would be futile and unwise in my opinion not to respond favorably to that call.

We must remember that when we sent this legislation to the President almost on the last day before the expiration of price control, we put him in a position of great embarrassment. That was practically a club to force him to sign what we had enacted. He has a right to use his discretion. If we had given him sufficient time he could have exercised his veto and this Congress could have proceeded, before the expiration of the old Price Control Act, to remedy any defects and to improve the measure to the best of our ability. For these reasons I think the Congress has the burden of acting, and if we do not do so we will produce a stalemate in business that will affect all lines and will be dangerous to the future prosperity of this country.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. THOM] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, most people would think this too serious for political leaders to try to make such efforts toward lining up people by accusing them of playing politics if they do not vote for this, and try to make them act too tweedle dumbly.

Reference has been made to the hearings. There is an attempt to make it seem that there was some kind of a filibuster on the part of the minority. Therefore, I think you should know when your people ask you that in our committee the Democratic chairman the gentleman from Kentucky [Mr. SPENCE], decides who shall be the witnesses for the administration and who shall be the witnesses for the minority, and he sets the time.

Mr. SPENCE. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. Not at the moment. You can take your own time.

And he decides how long the minority witnesses shall testify. When I sat in the committee I have tried and tried to get a chance to ask a question and in order to do so, when the opposition witnesses are testifying, I had to interfere with their testimony and cut it short, and, therefore, mostly I do not even attend the committee.

In the OPA hearings we have had witnesses from every industry in the United States, I think, bar none, telling you that they cannot produce under OPA and the confiscatory OPA ceilings. The thing is too vast and complicated for such men—such little men as are these men in OPA to try to operate. Those insiders in OPA, as you know, are rather lawless men. You remember the Bankhead-Brown amendment. They have violated it repeatedly. Regardless of what law you pass, they are going to do business as usual. I think they were extremely disappointed, in reality, when you failed to pass that pale pink compromise law which would not have bothered them in the least, because when you failed to pass it over the President's veto you prevented their having a chance to blame on Congress the failures, the repeated failures, and the increasing failures which are inevitable because the OPA is one big racket from start to finish, even rent control. Rent control is only a method of keeping down rents even below costs, and making things so disagreeable that people have to sell their buildings for a song to some political racketeer, and preventing building, and in the end forcing Congress to pass the Communist Party program of housing, slum-clearance housing, costing billions of dollars every year, for which the big political racketeers who are the mainspring behind this OPA, and do not forget it, are going to get their usual hoggish share of the proceeds. The reason why high Government officials are floundering around like fish in a net, in a communistic net which they have built around themselves, is because they see by the Government statistics—

and I do not mean the deceptive scrambled statistics they have fed the public—that right now their planned economy house of cards is tumbling right around their heads, and Government officials and Communists alike are going to fall with it—and you will fall, too, if you go along with them.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, the chairman of the committee the gentleman from Kentucky [Mr. SPENCE] is a very fair chairman. There has never been a time when he did not treat each and every member of the Banking and Currency Committee and every Member of this House fairly. There has never been a time when he caused a member to stop interrogating a witness. That is evidenced by the printed hearings. From them you will find that the gentlewoman from Illinois and one or two other members of the minority took days, and days, and days, bringing back very important witnesses to the stand to interrogate them. The chairman of the committee was so fair and considerate that he invariably asked all witnesses to testify before our committee that the members of the minority wanted to testify. He never refused to do that.

The gentlewoman from Illinois insists on calling this bill a communistic bill. She has, as a matter of fact, branded every bill that comes from our committee and on the floor of this House that she opposes as a communistic bill. She said that OPA was communistic, that Bretton Woods was communistic, that the British loan was communistic, that the veterans' emergency housing bill was a communistic bill. So in calling these bills communistic I believe she is entirely wrong, just as wrong as she is when she says that our chairman has not treated her fairly. Our chairman has not only treated her fairly but he has treated every other member of that committee fairly.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I assure you I did not know the gentleman from Texas was going to deliver a eulogy on me when I yielded to him.

I now yield 5 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Chairman, I am very much in favor of approving the resolution that is before the Committee at this time. I have been down home in recent days, I have talked with the people there. I have seen the messages that have been coming in. I believe I know what they are thinking. I have talked with veterans who are in school under the GI bill of rights and who are being paid \$65 a month if single, and \$90 if married. I have talked with their wives and I know something of the fear that confronts them today because of the effective emasculation of price control.

There is great concern throughout the country, and rightly so, because it is felt that if price control is discontinued or if we do not have some effective form of price control that same type of ruinous inflation that we experienced following

the last World War is going to hit us again; and I believe there is no question about it. There is no way of avoiding inflation unless we continue price control. Perhaps a great deal of the confusion comes about, and probably some of the opposition to continuing price control, through reference to the agency, the OPA, itself. I do not uphold OPA for all the things it has done. I think it has done some foolish things. It has been quite unwise in many of its administrative orders. But I do thoroughly believe that we must have some form of effective price control if we are to stay out of that inflationary spiral that will ruin the small business people of this country, the farmers, wage earners, white-collar workers, the little people generally throughout these United States. I know that fear is gripping the people of this country today as they see price control going out.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from North Carolina.

Mr. DOUGHTON of North Carolina. Does the gentleman believe that the price control bill that passed the House and Senate and that was finally agreed upon by the conferees would have been at all helpful in controlling prices?

Mr. SPARKMAN. I do not know that I am competent to say. I had very much hoped from the statement made by the chairman of the committee when he presented the conference report here that it would be a workable bill that we could live with. I may say I do feel that the bill which the House passed originally was practically a farce so far as price control is concerned. I voted against every single amendment offered to that bill, not because I felt there was no merit in any of them. I think several of the amendments had some merit in them. I felt very definitely, however, that the sum total effect of all the amendments was to destroy price control completely. Therefore I can say to the gentleman I feel that the bill which we sent to the Senate was totally ineffective as a price-control measure.

Mr. DOUGHTON of North Carolina. The President, having been advised by the leadership of both the House and Senate, that if the bill reported by the conference did not become law there would be no price control, in view of that, and his having vetoed that bill, if we were to pass this resolution and send him a bill he could approve, the credit would mainly go to him. However, suppose we get no price control at all, because the President has vetoed the bill that the leadership of both the House and Senate advised him to sign, and we get nothing at all, where would the responsibility rest for getting nothing?

Mr. SPARKMAN. Of course, I am not concerned with where the credit goes. I am concerned with having an effective price control to prevent ruinous inflation in this country and I do not care who gets the credit.

Mr. DOUGHTON of North Carolina. It is not a question of credit. It is a question of responsibility.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, the situation already existing today, with no price-control legislation at all on the statute books, convinces me more strongly than ever that the proper course last Saturday was to override the President's veto and to have enacted the law as contained in the conference report.

I have spoken with a number of my friends who are members of the Judiciary Committee, and, in addition to the economic confusion pervading the country, apparently there are a great number of legal problems which have arisen and which will arise, even some legal problems connected with the resolution itself and the proper form which it should take.

I think the President made a grave error in confronting the country with this situation. Many of the consequences cannot be repaired even if this resolution is adopted quickly. That, after all, is water over the dam. Our problem today is to try to work out of the confusion created as quickly as possible and to the best interests of the country.

Personally, I feel strongly that we should vote for the continuing resolution. As a member of the Committee on Banking and Currency, assuming the joint resolution is adopted, I intend to do my best to see that some workable compromise is brought in by that committee. I realize that we will have to find something that will be acceptable both to the President of the United States and to the Congress; consequently, some of us are going to have to yield our views on certain points, even as many of us did in respect to the conference report when we voted for it. There were many provisions in that report with which I disagree—some against which I voted.

I do not feel quite as pessimistic about the ability of the committee to do that as our chairman indicated he did in his opening statement. The trouble with the country today is that there has been too much rigidity of attitude, too much desire to secure one's own ends and one's own views to the exclusion of thousands of other people—too little give and take during this tough adjustment period. If we could only follow the Golden Rule just a little more closely—all of us. Personally, I am ready to yield considerably on my views with the desire and ambition to get something that will work and which will prevent any uncontrolled rise in prices. That is the essence of the problem. If we do not do that, we will have failed at this time. We will have permitted a minority to control, to the detriment of the great majority.

I believe that it can be done, and I shall do my best to have it done. The President's message, in the first part, was political in its implications; it was a political speech; but when you get to the end of it where the President states what he will accept, he admits in principle the policy of decontrol which was incorporated in the bill which he vetoed. He accepts in broad principle the Taft amendment, which he so bitterly criticized by saying:

I would not object to a provision which expressly requires the adjustment of price ceilings wherever this is necessary and would be effective to increase the total production of needed goods.

I voted against the cost plus amendment in the House, but I cannot agree with the President's view that it will be as bad in its effect as he believes it would be. In my opinion it goes too far and would be damaging. It should have been put in in changed form, but it certainly would not have produced the results he claims it would. He also indicates that he is prepared to see subsidies eliminated and scaled down during the first half of 1947. If the President and the OPA had offered this much 3 or 4 months before the bill was reported by our committee, I believe many of the sweeping and bad amendments adopted on the floor could have been defeated.

So, in general, in the President's veto message, he indicates his willingness to accept a good part of the House bill. I intend to vote for this continuing resolution and do my best to bring in a workable bill that will provide effective price control. Then if the President should decide to veto that one, I will vote for another continuing resolution and go through the process all over again.

(Mr. KUNKEL asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, as perhaps most of you know, I have consistently opposed OPA legislation. I think I was one of very few that voted against it at the time it was enacted. I thought then that it was not compatible with our form of government. I thought it was undemocratic, unconstitutional, and unworkable. I still hold to those views.

But notwithstanding the views that I have entertained heretofore in regard to the basic law, somewhat consistent with my own policy for voting for liberal rules which permit the consideration and adequate debate of legislation, I have concluded to vote for this resolution, believing that it is the only reasonable thing to do in view of the fact that the President has requested it. After all, he is the Chief Executive and charged with the responsibility of effectively enforcing the laws enacted by the Congress.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. DOUGHTON of North Carolina. It is the only possibility for any price control, then, is it not?

Mr. COOLEY. I think the gentleman is exactly right. While I doubt very much if the committee will bring in any legislation which will meet with my approval, I am willing to subordinate my views on this particular question and at least give them an opportunity to work upon the problem, because I realize that it is of great importance to the people of this country.

I do not agree that this resolution is legal, or that the effect of it will be to legally revive or reenact a law. The

speech of the gentleman from Texas [Mr. PATMAN] a minute ago indicated that perhaps the resolution is not open for amendment, but it seems to me that it should be amended so as to reenact the law which expired last night at midnight. We certainly cannot revive or reenact it by merely amending it.

Mr. GAMBLE. Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. BUFFETT].

(Mr. BUFFETT asked and was given permission to revise and extend his remarks.)

Mr. BUFFETT. Mr. Chairman, first of all I want to offer my testimony on the statement made here a little earlier that the gentlewoman from Illinois spent days and days questioning witnesses. I have been a member of the Banking Committee now for 2 years, and I have never seen anything like that happen.

Secondly, I do not particularly want to enter into the controversy about "who killed Cock Robin." But I do believe we are entitled to a little more information on that subject. The President says that on September 6, 1945, he urged the Congress to pass an extension law promptly.

May I ask the chairman of my committee if the President at or about that time asked him to have hearings on this law?

Mr. SPENCE. I have no recollection of getting any communication from the President. Since the President said he asked for it, I assume he did ask, but I have no recollection of it. I know this, that most of the people who are now complaining about not being treated fairly are the people who took up most of the time in the hearings.

Mr. BUFFETT. May I ask the gentleman this: If the President had sent a message directly to him, he certainly would not have turned the President down, would he?

Mr. SPENCE. I think it is very obvious I am not trying to turn him down now. I think the gentleman understands that.

Mr. BUFFETT. Yes; I do. I think the Congress and the country should understand that if the President had actually tried to secure hearings last September as his veto message indicated, he would have had those hearings promptly. I made such a request on the 26th of September. We started hearings late in February.

We are never going to get anywhere on the increase of inflation and prices as long as we keep working at cross-purposes. We have had one crisis after another here this spring, crises that are made to order for the advancement of communism not only here but all over the world. We are called on today to pass an extension of the OPA Act for 20 days because of the danger of much higher prices, but at the other end of this week, we will be called upon to create \$3,750,000,000 of pure inflation in the form of a loan to Great Britain.

Is it not about time to stop fooling the people of this Nation? If this administration continues its reckless loaning policy, price control becomes an instrument for the destruction of the

Nation. Why not face the music now and save us from the fate of Germany and others who have been wrecked by price control.

It is time for a showdown—for the people to learn that all the price-control laws in the world cannot keep prices down as long as the Government keeps diluting and debauching our currency.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut [Mr. KOPPLEMANN].

(Mr. KOPPLEMANN asked and was given permission to revise and extend his remarks.)

Mr. KOPPLEMANN. Mr. Chairman, most Members of this House have been bombarded today with telegrams from constituents, running 35 and 40 to 1, demanding the continuation of price control, not the meaningless price control which would profit the inflationists and economically massacre the people, but price control with authority to lead us in an orderly fashion through the transition period from war to peace.

The facts are clear and decisive. The door to inflation has been opened wide. The situation would have been the same had the meaningless measure passed last week been upheld. The veto was the only step the President, fully cognizant of his responsibility to the country, could have taken to throw the issue squarely at the people and let them take up the cudgels for their own protection.

Every Member of this House is now fully aware of the danger facing the country.

The people are demanding that we face the facts and act upon them. It is our clear responsibility and business to reject the exploiters and vote for this resolution.

This resolution, moreover, gives the opponents of price control, who now are confronted by the Frankenstein they created, to extricate themselves from the mess into which they plunged themselves by their own short-sightedness. There is little comfort in "I told you so" for those of us who stood firm against every effort to scuttle these inflationary controls.

The country imperatively requires now a unanimity of support for this resolution and a sober approach to the magnitude of the problems as we resume work on a measure which will be an effective answer to the inflationary menace.

Mr. GAMBLE. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota [Mr. LEMKE].

(Mr. LEMKE asked and was given permission to revise and extend his remarks.)

Mr. LEMKE. Mr. Chairman, the time has come to quit making reckless, incorrect statements. It has been said that every Member has been flooded with telegrams because the President asked the public to send telegrams to their Members. I received just one telegram, and I shall read it:

Representative WILLIAM LEMKE,
House of Representatives,

Washington, D. C.:
Condemn veto by President Truman. Do not favor revising old OPA set-up. Rather let OPA die a natural death.

S. B. BAGNE.

It is the only telegram I have received. Now, let us get together and reason and find out what is wrong with the OPA.

In the first place, it is an un-American institution. It is an illegitimate child. It was born of foreign parentage. It was imported from Russia and Great Britain. Canada, New Zealand, and Australia refused to adopt this Russian-British half-breed.

The ways of the OPA are foreign to the things that made America great. Regimentation and dictatorship, in themselves, are un-American. Its performance has been even worse than its foreign birth. Few people realize to what extent it interfered with and prevented full production. It has been the bottleneck of production. It is largely responsible for the empty shelves. It has not kept the cost of living down but has increased it.

The OPA has been guilty of extortion. It has illegally extracted money from hundreds and thousands of innocent people. Recently merchants and implement dealers complained that the OPA was collecting twenty-five and fifty dollars not because of any overcharge, but because they claimed there was something wrong with the sales tag. These merchants and dealers were accused of violating some OPA regulation. They were threatened with prosecution, triple damages, and imprisonment.

When I mentioned this to a merchant recently, he smiled and said, "Well, I just paid \$175. I knew it was extortion, but they threatened to drag me into court. You may blame us for submitting to such extortion and corruption, but Congress is responsible for permitting such an un-American institution to be at large. This because, as businessmen, we cannot afford to be brought into court even on false charges."

Mr. Bowles claims that the OPA kept the cost of living down. The truth is the cost of living is about one and a half times as high as it was during the comparable months after World War I. Nearly everything that you eat, drink, or wear, except sugar, is higher than it was after World War I. In addition, there were no empty shelves after World War I. There was no OPA to interfere with production. You could buy what you wanted and the prices were lower than now.

I repeat, the OPA has created a scarcity of commodities by interfering with production. The longer we keep it the greater will be the scarcity—the higher the prices. We should not expect that anyone can or will produce or manufacture articles below the cost of production. No honest person except the lounge lizard expects the farmer, the manufacturer, or the merchant to produce, manufacture, or serve him below cost of production or operation.

Mr. SPENCE. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. Voorhis].

Mr. VOORHIS of California. Mr. Chairman, on Saturday I voted to override the President's veto. I did so because I was deeply concerned about the situation in which I was afraid the country would find itself with a sudden complete cessation of all controls. By the

same process of reasoning it seems to me it would be an utterly irresponsible action not to pass the pending resolution. I think the pending resolution is our very minimum duty to the Nation. Obviously, what the country needs is a transitional control of essential prices and rents until such time as production has caught up with demand. The law should provide for an orderly decontrol process, but for firm, effective control where needed. That is what we should have given the Nation in the first place. The only thing we can do in that direction today is to pass the pending resolution. I am confident it will pass. I hope it will pass without amendment.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. KUNKEL. The same reasons for supporting a vote to override the veto also will support a vote for this resolution?

Mr. VOORHIS of California. I agree with the gentleman.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GAMBLE. Mr. Chairman, I yield 3 minutes to the gentleman from South Dakota [Mr. MUNDT].

(Mr. MUNDT asked and was given permission to revise and extend his remarks.)

Mr. MUNDT. Mr. Chairman, it seems to me we can go back into one of the books of our childhood to find a verse which aptly describes the condition confronting us as a result of President Truman's veto of the OPA Extension Act. As I recall, it went like this:

Humpty Dumpty (OPA) sat on a wall,
Humpty Dumpty (OPA) had a big fall,
All the king's horses and all the king's men
Could not put Humpty Dumpty (OPA) together again.

I am afraid that is exactly where the country finds itself today. I voted to override the President's veto on Saturday because I was convinced that exactly this would happen. I think it was one of the most reckless and dangerous acts ever engaged in by a high executive of this country when President Truman, by Presidential veto, threw OPA into the ash can and bet the entire future stability of this dangerous transition period from wartime to peacetime on the flip of a coin, hoping that some particular philosophy of OPA which he favored might eventuate.

I shall vote today for the 20-day continuing resolution because I have always felt that there was a job for OPA to do in this country to help control prices so long as the supply fails to equal the demand. I think we require an OPA which not only seeks to control prices to curtail inflation but which also controls prices to stimulate production. We have not had that under Chester Bowles. His administration of OPA has fumbled badly the first of these objectives and it has failed even more dismally on the second.

Instead, we have had a poisonous potpourri of inept people and inane policies which were bringing us rapidly to disaster. It was in an effort to correct this bureaucratic bungling that Congress wrote the corrective amendments in the

bill the President voted. I think if the President wants to have a speedy OPA bill passed by this Congress he can get it quickly by appointing William Jeffers as OPA Director. If he does not like Bill Jeffers, he can appoint Jesse Jones, of Houston, Tex. Jones is a good administrator, and the Congress and the people have confidence in his ability. I think he is the kind of man to do a job with OPA. If Mr. Truman does not like either of them he can appoint Edward R. Stettinius who did an efficient job with lend-lease but who has since been kicked around from pillar to post and from post to pitfall until finally he had to resign to save his self-respect. If we can get a good Administrator for OPA who believes in stimulating production rather than playing politics with OPA, I am convinced the President can readily secure from the Congress the kind of legislation which will enable OPA to attain its twofold objectives.

Neither Jeffers, Jones, nor Stettinius would endeavor to create a climate of fear and of favoritism designed to make OPA a permanent Government agency. Each of them has business experience enough and confidence enough in our American way of life to realize the wisdom of establishing OPA policies which would as rapidly as possible stimulate production so that it would equal demand and in that way eliminate all reason—except the political one—for continuing OPA beyond that point.

Mr. Chairman, when I addressed this body last Saturday, speaking in support of the resolution to override the President's veto, I pointed out that failure to override the veto might well mean the demise of OPA. I called attention to the rules of procedure obtaining in the other body at the other end of the Capitol. I predicted that filibustering tactics and dilatory techniques in that body might well consume so much time that the price structures and rental controls of OPA could fall apart before a continuing resolution would be passed. The President is a former member of that other body. He knows better than I the realistic situation prevailing at that end of the Capitol. To me, this makes all the more amazing and alarming the fact that the President listened to the ambitious advisers in his New Deal coterie to the point that he vetoed the price control extension act against the considered counsel of Speaker RAYBURN, Majority Leader McCORMACK, and Senate Leader BARKLEY and thus severed all the life lines which Congress had constructed to hold the line against runaway prices. As the lord high executioner of OPA, President Truman must stand the consequences of what develops.

Particularly in the field of rentals does it seem to me that the President has chosen to make a reckless gamble with the public interest—especially insofar as the veterans are concerned who so badly need housing facilities at a price they can afford to pay. I hope that some form of new rental control can be established without delay, regardless of what the fates have in store for this continuing resolution and for OPA in general.

In conclusion, let me urge my Republican colleagues to join me today in vot-

ing for this 20-day continuation of OPA to permit the President to have the time he has requested to work out adjustments between the OPA Act he vetoed and one which he may be willing to support. I hope that even many of you who voted in the negative on Tuesday and Saturday and who may feel that the time has come to end OPA entirely will vote in the affirmative today. If we do nothing more in 20 days than to work out an effective rent-control bill this continuation resolution will be worth while. It is to be hoped that more will be done and that the announcement of the appointment of an able, experienced, business-minded OPA Administrator will be made so that Congress can more confidently vote on new OPA legislation. Such legislation should include a workable formula for decontrolling prices when controls are no longer necessary and it might well include provisions so that wages, along with other costs, should be included in the establishment of OPA ceilings and prices. It should also include provisions for the orderly transition from price controls back to a control-free economy so that the shock of too great and too sudden a change can be cushioned for the protection of the general public.

Mr. Chairman, I shall vote for this continuing resolution, and I urge others to join me in its support. However, I do not have too great a confidence that our work today will save the situation, even though we pass this resolution overwhelmingly. The Senate is likely to act with great deliberation on this matter and it may not act at all. Every day that passes will make more difficult the reenactment of price controls and the reestablishment of essential ceilings on rentals and other necessities of life. However, that is a situation created in the White House for which the House cannot assume responsibility. Let us by our vote today at least demonstrate that once again the great House of Representatives has risen to its responsibilities by meeting a critical situation with prompt action designed to make the best of a bad situation which it did not create but which perhaps it can at least help to cure.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I think I would not have asked for this time if I had not done so before the gentleman from Pennsylvania [Mr. KUNKEL] and the gentleman from South Dakota [Mr. MUNDT] had made their speeches.

I think it is a rather small thing for us to debate and cavil about the question of who is responsible now for the position we find ourselves in. Some may want to lay the responsibility at the door of the President. Somebody else may want to say that the committees were not fast enough in their operations to get the bill before the Congress soon enough. Some may be so particular and meticulous in their way that they would try to say whether it was the Republicans or the Democrats who were responsible for the fact that the bill did not go to the President sooner. That seems to me rather childish in consideration of the position which we find ourselves in today. The fact of the business is I am

convinced that when one comes through the door of this Chamber one ought to forget politics in a very large measure and remember that one is the Representative in the Congress of the United States and he has self-responsibility of all the people to the extent of his ability.

So it comes to the question: What are we going to do in the position we find ourselves in? Are we going to say we will not do anything because somebody else did not do something? We cannot afford that as Members of the House of Representatives. The country is involved, the welfare of the people is highly important, and above everything else and every other consideration—and I am glad to see Members on both sides of the aisle take that position—I stand with the gentleman from Pennsylvania and the gentleman from North Dakota. I, too, voted to override the President's veto because I think now I was too fearful that a resolution would not be adopted.

I think we have come to a realization of the fact that we now personally owe a responsibility to the people of the United States, and it does not make any difference who is blamable for anything like a delay that may have occurred. I do not think we will require so much time to bring back a bill. I do not know whether it will be entirely satisfactory to everybody, but all the hearings have been had, many of the witnesses examined, the record is there, and we can move pretty quickly.

I hope the resolution will be adopted.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SPENCE. Mr. Chairman, I yield the balance of my time to the gentleman from Oklahoma [Mr. MONRONEY].

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 minutes.

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, there is no use taking up a lot of time with a political post mortem on: Who killed Cock Robin? I think a dozen amendments in the House killed OPA and inflation control, and I think a dozen amendments in the Senate killed it. I think the President merely pronounced a dead bill officially dead when he sent his veto up here.

Today we are not faced with the question, Who killed OPA? We are faced with a decision on: Where do we go from here?

We are faced with whether we will give this country temporary interim continuation of inflation control for a mere matter of 20 days while the House tries to work out, with the Senate, a better bill than the crippled and mutilated one we sent down.

A vote against this temporary resolution today means that you are voting against production, because no processor and no producer in his right mind is going to engage in all-out production in the present uncertainty as the House and the Senate try to agree on a bill within the next 20 or 30 days. Without

a temporary continuing resolution, production will be uncertain.

No one engaged in the production of most of the shortage items today—meat, butter, bread, dairy products—no dairyman, no meat processor, no manufacturer can proceed with any degree of assurance because he does not know whether he will get the subsidy provided in this temporary resolution or not.

Therefore we are apt to see a complete shut-down by almost all of the dairymen, all of the meat processors, who want to continue existing ceilings because they cannot afford to kill and manufacture and process these goods if they are not certain whether they can get the subsidy or not. Surely, if we do not have this temporary continuing resolution they cannot depend upon them.

Then what happens? It takes quite a time before these goods are processed from the raw materials and reach the dealers' counters. All of that inventory that will be built up by retailers in this interim may be at an uncontrolled price. Then these inventories will have to drop down 10, 20, or 30 percent after price control goes back on, should Congress finally agree on a bill for the next year. So business will find itself confused and confounded in an effort to try and operate in this interim unless we pass this simple 20-day continuance. We must let the people of America know where they stand.

Another thing I would like to point out is the suggestion of the gentleman from Michigan [Mr. Wolcott] that we pass only a rent control without other price controls and have that effective for a year.

In the interest of justice and equity do we dare make a guinea pig out of the landlords of the country? I am no lawyer, but may I ask, can the Congress pass a law so there will be no ceilings on anything except rents? Could we control the prices of buckwheat cakes, baby buggies, eggs, or butter selectively?

I do not think we can. I do know a little about law, and on the temple of justice across the plaza it is stated: "Equal justice under the law." I do not believe this Congress can penalize one single group of people and that group alone and make the law stick on rents, even as badly as we all need rent control.

Rent control goes with the rest of the inflation-control program, the program to stabilize the cost of living clear across the board.

We want to do the best possible job we can. I do not think the House, I do not think the Congress, I do not think the courts will recognize that an act simply stabilizing the cost of rents, penalizing one small segment of America only, and letting other costs go through the roof, is legal.

You know what will happen if we tried a law like that. You would have to raise the rent next month 15 percent, the following month 30 percent and the following month 45 percent if you try to do equity to the people who own property. For as the spiral of inflation goes on up, as the cost of their improvements, and so forth, including the maintenance of their property, spirals upward, more and

more adjustments would have to be made.

I do not think this Congress wants to single out one group only for control.

Several things have been said about this satisfactory bill that the House sent down to the President. I would like to remind the gentlemen on the Republican side of the aisle that the two senior Senators in the conference refused to sign this so-called satisfactory bill, Senator TAFT and Senator MILLIKIN, and one of the senior Members of the House, the gentleman from Michigan [Mr. CRAWFORD], refused to sign the bill.

It seems to me, that this satisfactory bill was neither satisfactory to those who wanted less price control nor to those of us who wanted a bill which we felt was strong enough to prevent inflation. If it was not satisfactory to either side, it could not have been a very effective bill.

This Nation wants effective, not phony, price control until production makes further controls by law unnecessary.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

All time has expired. The Clerk will read the joint resolution for amendment.

The Clerk read as follows:

Resolved, etc., That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946," and substituting "July 20, 1946."

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in view of the statement made by the gentleman from Oklahoma, something should be said in respect to what attitude the gentlemen he mentioned took. Of three conferees who did not sign the conference report, two of them did not sign it because we eliminated specific decontrols in the bill. Surely the gentleman from Oklahoma is not in favor of that himself. When he states that the gentleman from Michigan [Mr. CRAWFORD] refused to sign the conference report he should have checked his facts on that a little bit because, at the time the conference report was signed about midnight, Mr. CRAWFORD was on his way to the Philippines and was not available to sign the bill. He had not left any instructions what to do, so none of us assumed to have his proxy in that respect.

The reason why the two gentlemen whom he mentioned in the other body did not sign the report was because it did not contain provisions which we had eliminated from it and because specific decontrols had been eliminated it was unsatisfactory to them, not because of the manner in which the conference report came back.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I want to thank the gentleman for the correction regarding the gentleman from Michigan, Representative CRAWFORD. I was not aware of those facts.

Mr. WOLCOTT. Well, the gentleman apparently has not got his facts straight in reference to the other gentleman either.

Mr. MONRONEY. The very fact that the two Senators refused to sign the report—

Mr. WOLCOTT. They refused to sign it because there were not specific decontrols in it; because they were dissatisfied on account of this bill not going far enough.

Mr. MONRONEY. Yes, and a lot of us were dissatisfied because it went too far.

Mr. WOLCOTT. Then it was your responsibility to get something that was better.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, of course, it is interesting to hear my colleague, the distinguished gentleman from Oklahoma [Mr. MONRONEY] lay the whole of the OPA troubles onto the Republicans. It is my understanding that the Democrats had a majority in the Congress and also a majority on the Banking Committees in both the House and Senate. It looks like they ought to have been able to bring back a bill that was not such a monstrosity. According to the President, the bill which his party gave to him was impossible. The gentleman from Oklahoma, I assume, signed the conference report.

Mr. MONRONEY. I was not on the conference.

Mr. RIZLEY. Anyhow, you voted for the conference report when it was before the House, the bill which the President says is bad and which he vetoed, and I cannot quite understand now, why you should attempt to lay the whole blame to the three Republican Members of the committees. You had your own Democratic colleagues write the conference report. So you now charge three Republican members on a committee of 14 for this terrible, terrible thing that happened.

Let us analyze what my friend the gentleman from Oklahoma [Mr. MONRONEY] said. The substance of what he said was the same thing that this OPA crowd has been contending for all along, that you cannot decontrol one thing without decontrolling everything. Regardless of supply and demand you must control all or nothing. That was the substance of his argument. Again says my colleague, "We must not let this die because," he said "these cattle producers are not going to keep on producing because there will not be any more subsidies." The cattle producers, bless your heart, have been trying to get rid of this thing for months, they never wanted subsidies. What they want is a fair price and a market place and not subsidies, and I doubt that meat will go up as much as is now paid in subsidies, plus the black market prices, and we will be able to get meat in a legitimate market.

He mentioned rents. I think the most sensible thing that has been offered here today is the resolution by the gentleman from Michigan. Let us analyze it a little. Rent is in a different category than any of these other things. If you take these controls off, we do not know how fast many products which the consumer buys will come back into production. We are hopeful and believe much more quickly than most people contemplate. We do know, however, that you cannot build houses in a few weeks or in a few

months, because we do not have the materials. So I think the sane solution of this thing would be to continue this control bill as to rents and let us try without other controls for a while and see whether or not all of this calamity happens that they talk about.

Here is the situation. For weeks and weeks and months two committees of this House worked on a price control bill. They brought in, according to the distinguished Speaker of the House and according to the Majority Leader in the Senate there, what they said was the best bill that it was possible to get. Now we are voting on a resolution here continuing it for 2 weeks. Let me remind you what was said not only by the members of the committee, but the Democratic leaders of the Senate and the House as well. They said, "We must get this conference report approved or we will not get anything." Now you want to go back for 2 weeks in the face of all that and keep this chaotic condition. People do not know where they are. We are asked to get this control bill out today, that is true, but what they are asking us to do is to send it back for 2 weeks and try to enact something that everybody says cannot be enacted. The President said that he would not just take any bill, unless it is substantially the law as it now exists. He will again veto it. Does anybody here think that the House or the Senate, either one, is going to give us the kind of a bill that the President and the CIO-PAC apparently want? Of course, they are not.

We better pass this resolution offered by the gentleman from Michigan continuing control on rents and then hope the respective States will take care of their own rent situations. I think everyone in this country is patriotic. If the people who produce and if the manufacturers and the retailers and the wholesalers are going to put up prices sky high, this Congress can come back and write a real control bill and put wages in with it. That is one of the troubles we have had. We have not had a control bill. When the Little Steel formula went down the river the President of the United States, I will say to the gentleman from Oklahoma, was one of the first men that not only bulged the line, but he broke the line when he made the deal with the labor leaders. You cannot have price control unless some limit is placed on wages. The gentleman from Oklahoma as well as myself back in 1943, when the Gore amendment came up, voted for a control bill straight across the board, and the President of the United States then through his majority said "No," and the Congress put controls on everything but left wages alone, and wages have gone on up ever since. They are reflected in everything that is produced or manufactured, they enter into the price of everything the consumer buys, and you cannot have price control without controlling everything that enters into the price.

(Mr. RIZLEY asked and was given permission to revise and extend his remarks.)

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 1, lines 5 and 8, after the word "July", strike out the figure "20" and insert the figure "10."

Mr. SMITH of Virginia. Mr. Chairman, I make the point of order, simply to direct the attention of the Chair to it, that section 2 has not been read; therefore it is not in order to offer an amendment to it at this time.

The CHAIRMAN. The gentleman from Virginia is correct. The point of order is sustained.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to modify the amendment to include only the first section.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 1, line 5, after the word "July", strike out the figure "20" and insert the figure "10."

Mr. DIRKSEN. Mr. Chairman, we have "thrashed a lot of old straw" today. It is amazing what difficulties can arise from a veto. I am reminded now of when Winston Churchill graced the rostrum here and held up his fingers to indicate the V for victory, but I think in the lexicon of Mr. Truman "V" is now for veto; but it offers no comfort because we have a difficulty to contend with.

I fancy the most important and most impressive thing the President of the United States said in the veto message was that part in which he said, "Production slow-downs will develop due to price uncertainties." Why let it continue for 20 days? Why let uncertainty with its clammy hand reach into every enterprise, large and small, in the United States of America?

I had a call from Chicago a moment ago. I understand that live cattle on the Chicago market this morning jumped from 18 to 25 cents. "Shall we buy or shall we not buy? Shall we buy suits or shall we not buy suits?" Whether it is large business or small business, that uncertainty begins to upset the whole free enterprise structure of the country. Why let it continue? Why let the agony be prolonged for a period of 20 days? Is not 10 days enough?

You know very well what is going to happen. It is always rather perilous to be prophetic, but as I see it this is what is going to happen. This resolution probably will be adopted by this House this afternoon. It will go to another body. It will be referred to the appropriate committee, on Banking and Currency. It is entirely new matter. Let me say to you that another body does not easily and idly come by that characterization of the world's greatest deliberative body. They are going to deliberate because this is new matter. I have been over checking a little this afternoon to see what the possibilities are. It may run on for 2 or 3 weeks or for 4 weeks, and so the agony is prolonged, and where is the whole free enterprise structure of

the country, not knowing which way to turn?

Is the difficulty so insoluble? I fancy from what I heard in the veto message and in the President's speech on Saturday night that the principal bone of contention is that amendment that accepts the base period of 1941 for cost purposes and then adds the accruing costs. Would it be so difficult for the conferees or, for that matter, for all the members of the House Committee on Banking and Currency and the members of the same committee of another body to sit down in sweet fellowship for just about 2 hours and determine what they are going to do? They require no 20 days to do it. They require, as a matter of fact, not 10 days to do it. It can be done within a space of a few hours if it is a question of whether they are going to agree or disagree. They can make up their minds within a period of a single day. But if this runs on until July 20 there will be confusion worse confounded in every corner of the country—so why not shorten the time? If I had my way, and if July 4 was not an official holiday, I would have made it the 4th day of July and then we would know whether there would be an observance of a second Declaration of Independence. But I am willing to err on the charitable side and make it 10 days. That will serve as a pressure upon those in another body who will then have the responsibility of disposing of this resolution. But to let it run on for 20 days is going to bring confusion to every line of enterprise in every section of the country and there will be indescribable bewilderment. I sincerely hope we do not do that. I think in that one respect the President was right. There will be confusion out of that kind of uncertainty. So I recommend to you that we shorten the time by making the date July 10 and thus resolve this issue at the earliest possible date for the benefit of the country.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, certainly the gentleman from Illinois realizes the purpose for which we ask a 20-day extension. He says he is very generous in offering an amendment to make it 10 days. But we know how slow the processes of legislation are. We have heard the Chairman criticized today because he did not accede to the wishes of the Committee. If he had acceded, we would have been holding these hearings until the first of next year. Certainly the Congress is not going to cavil about 10 days which would utterly destroy the purpose of the resolution and which would make it impossible to act. I think if we are given 20 days we may have an opportunity to come to some conclusion, but certainly we can not do it in 10 days.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. WHITE. It seems to me the gentleman from Illinois contradicts himself and is talking beside the point. The issue before us is to continue the OPA for 20 days as it was.

Mr. SPENCE. That is the purpose. The purpose is to give the Committee

time to consider and try to come to some conclusion which will satisfy the President and those who have to administer the law.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HALLECK. The gentleman will recall when he appeared before the Committee on Rules there had been suggestions in the Congress and in the debate here about 15 days and 2 weeks. I suggested in the Committee on Rules what I thought would be desirable, that is, to limit the time to 2 weeks. I have sent to the Clerk's desk an amendment making such provision. Am I correct in understanding that the Chairman of the Committee would not be averse to a 2-week limitation rather than 20 days?

Mr. SPENCE. No, it seems that some of my colleagues have become very miserly with time just recently. It seems to me 2 weeks would not give us the same opportunity as 20 days. I do not think 20 days is an unreasonable request. If you followed the advice of the argument of the gentleman from Illinois, you ought to give us only 1 day.

Mr. HALLECK. I am certainly not urging anything that is out of reason. The fact of the business is that during the time this resolution is in effect this condition of uncertainty will continue throughout the country. The gentleman's committee held long hearings and gave careful consideration to this whole matter. My view is that the best interests of the country could be served by settling it as expeditiously as possible. It occurs to me that 2 weeks would be ample time for the Committee and the Congress to give it consideration.

Mr. SPENCE. May I answer the gentleman by saying there is no limitation on the time within which we could settle. If we are given 20 days to settle it and if we can settle the matter earlier than that, it would be within our province to do so.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. RABAUT. The type of debate that is going on now is the reason why you need all the time you can get. This is the very type that has caused delay. The conference brought the bill in at the last hour, at twilight, and now we are aroused because the President exercised his prerogative and vetoed it.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. MONRONEY. Is it not a fact that in this resolution it provides for July 20?

Mr. SPENCE. Yes.

Mr. MONRONEY. That does not mean we will have 20 days in which to get together on a bill, because what time the other body takes to consider this comes out of that time between now and July 20. So we certainly need enough time.

Mr. SPENCE. It is certainly not an unreasonable time.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SMITH of Virginia. Mr. Chairman. I offer an amendment to the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

Mr. SHORT. I object.

The CHAIRMAN. The gentleman from Virginia has the floor and has offered an amendment. The Clerk will report the amendment offered by the gentleman from Virginia.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia to the amendment offered by Mr. DIRKSEN: Strike out "July 10, 1946" and insert "September 1, 1946."

Mr. SMITH of Virginia. Mr. Chairman, the respite offered by the gentleman from Illinois [Mr. DIRKSEN] is so brief and so inadequate as in my judgment to be totally futile. As indicated by the chairman of the committee a moment ago, we all know the legislative processes. This measure must pass the House. It then must be passed by the other body, where it will probably be referred to the Committee on Banking and Currency. We know just as well as that we are here that most of the time for this extension is going to be consumed in legislative processes. Now, this is a serious situation. Let us do something or let us make up our minds we are not going to do anything, and let the country know it. To merely give this respite of 10 days, proposed by the gentleman from Illinois which is going to be consumed in debate in the legislative processes, we had better not do anything. I have suggested a period of 60 days. That is September 1. I think that should give adequate time for sober consideration of the grave differences that exist between the legislative and executive agencies. Let us get this matter straight, once and for all, and let us have time within which to do it.

There is another thing which is equally if not more important. When you enact new legislation, as you are planning to do, and send it down to the White House and get it signed and enacted into law, the OPA has to change all of its regulations to meet the changed conditions. Do you think it is fair to OPA or to the business world or to the purchasers of commodities that we should pass a law one day and expect the OPA and the country to recognize it and put it into effect the next day? Now, stop and think about that for a minute, whether you are for this or against it. That is not the fair way to do it.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I decline to yield.

When we do pass this legislation, if we do, we ought to pass it in ample time so that the OPA will know where they stand before the law becomes effective, so that the public will know where they stand. Then, we can get an orderly process. Let us have ample time to get this straightened out.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment to cor-

rect a statement made by the gentleman from Virginia. The gentleman's statement was to the effect the OPA was required to change rules on June 30 under which they must operate on July 1.

If the gentleman had studied the bill which was vetoed by the President, he would have found that it contained a provision giving OPA a reasonable period of time in which to make adjustments in their regulations, bringing them into compliance with the new law. As a matter of fact we specifically said in the law that the old regulations and price formulas would be continued for 30 days. We gave the OPA 30 days in which to make such adjustments as they saw fit in order to bring the new standards and adjustments into keeping with the new type of bill.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. McDONOUGH. Since the question of extension of time has come up for consideration in the last few minutes, I should like to ask the gentleman from Michigan whether the 7th day of November next would not be a proper date for it to terminate?

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MATHEWS. Is it not possible that at the end of this 20 days they might come back and ask for another 20 days or even more?

Mr. WOLCOTT. Yes; and if we continue this to August 31 or September 1 we merely continue the uncertainty that much longer rather than only for 20 days.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DONDERO. The committee took 4½ months to collect the evidence on which the bill we presented to the President was based. What new evidence could possibly be submitted to the Congress or has been?

Mr. WOLCOTT. No new evidence has been submitted and I might state there is no new evidence or argument which has been presented in the last week which has not been presented throughout the months of hearings before the Committees on Banking and Currency of both Houses.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. WHITE. The President vetoed this bill because he found it defective, and all the safeguards the gentleman was talking about were nullified by the veto. This means they have got to start over again. We cannot hark back to any provisions carried in the vetoed bill.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BROWN of Georgia. At the time the President submitted his veto message he asked for 20 days' time in which a study could be made and a new bill passed. I am willing to vote for the 20 days; I shall vote for the 20 days, and shall vote against any proposal for a greater number of days at the present time.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SABATH. The gentleman wants to know what new evidence there is. If the gentleman who propounded the query and others will read today's papers they will see what outrageous increases in price have already taken place today. That in itself is sufficient evidence to stir us to action in the interest of the consumer and in the interest of the American people.

Mr. WOLCOTT. I think it may be said, and I have told those who sought specific decontrols, especially on meat, that if it so happened that meat was specifically decontrolled and the price went up unusually high the American people would rise in their righteous wrath and be back here insisting that these controls be put back, and that if that happened they would be put back with a vengeance, and they would not come off in a matter of weeks or months and perhaps not in a matter of years. I think all industry will be hurt if they allow prices to go to unwarranted heights, for the American Congress is going to reflect the attitude of the righteously indignant people under those circumstances and put these controls back on. We are not of course going to know in 24 hours what is going to be the answer, and apparently the other body is going to take a little time to see what is going to happen before they taken any action at all. What happens to prices within the next week probably will determine what kind of price control we have.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto do now close.

Mr. SHORT. Mr. Chairman, reserving the right to object, are only members of the Banking and Currency Committee to be given an opportunity to speak on this resolution even under the 5-minute rule?

Mr. SPENCE. I renew the unanimous consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. SHORT. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto do now close.

The question was taken; and on a division (demanded by Mr. SHORT) there were—ayes 131, noes 107.

Mr. SHORT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BROWN of Georgia and Mr. SHORT.

The Committee again divided, and the tellers reported that there were—ayes 142, noes 119.

So the motion was agreed to.

Mr. SHORT. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. SHORT moves to strike out all after the enacting clause.

Mr. PATMAN. Mr. Chairman, I make the point of order that that is not a preferential motion.

The CHAIRMAN. The motion is not in proper form.

The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH] to the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 83, noes 166.

So the amendment was rejected.

Mr. BALDWIN of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN of New York: On page 1, line 5, after the word "substituting" strike out "July 20, 1946," and insert in lieu thereof "January 20, 1947."

Mr. BALDWIN of New York. Mr. Chairman, it seems to me that if we are going to be honest with ourselves and the American public in this crisis—and it is a crisis—everyone here has said so—that confronts the country, the only honest thing we can do is continue price control throughout the summer into the next session of Congress. It seems to me that those of us here have got to cut bait or fish, and that applies to each side of the aisle as well as the executive department. I do not conceive of this as a Republican problem or a Democratic problem. It is an American problem. I can tell those of you who have said here that the telegrams on price control come from hysterical people and from rabble rousers that those in my community, 90 percent at least of whom are in favor of price control, are not rabble rousers and are not hysterical. They are frightened people when they see the way prices go up when this price control is suddenly lifted. All we ask is that this should be continued until production and demand reach a point of reasonable balance in the economy of the Nation. Certainly we ought to permit the American people to speak on this question at the polls at the election and let the next Congress decide. Under my amendment they would have the same amount of time to decide whether this is to be continued or not as they would have under this resolution. Mr. Chairman, there is a second amendment to the next section which obviously provides the same date because the date has to be changed in the other section to correspond and when that amendment comes up I do not intend to continue the discussion by seeking recognition. It seems to me that the arguments pro and con on this whole business have been threshed out on the floor of the House for weeks and weeks. We do not need further debate. I submit this amendment in good faith and I point out to you that the Senate in 6 days, 6 months, or 6 years probably will not change the thing but at least this gives the same opportunity to these as a continuing resolution. I earnestly hope you will support the amendment.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

I am sorry, sir, that while I was busily engaged in counting the teller vote, I did not have time to write out the preferential motion in proper form.

It is a bit strange that standing here on my feet for the past 20 minutes I would be denied an opportunity to be heard. Not that I count my voice so convincing but at least those of us who oppose this iniquitous resolution should have their day in court. I want only to be fair, but will not have a repugnant measure crammed down my throat without protest. Some may surrender but I have never, nor will I ever, cowardly capitulate.

Mr. Chairman, heaven knows we have enough confusion now in this country. If this resolution is passed in the form now presented, I fear chaos will really reign.

It is now more than a year since the unconditional surrender of Germany. It will soon be a year since the total capitulation of Japan. We have had 4 years of war and 1 year of peace. When those two wars ended we had the biggest pent-up demand for civilian goods in all our history. This was caused by the sacrifices and self-denials made by our people and the accumulated shortages during 4 years of war. We also had, on VJ-day, not only the best domestic market and the biggest demand for goods but also the American people, because of extraordinarily high wartime wages, and accumulated savings, had the greatest purchasing power in our history.

By all rules of the game we should have entered immediately, or very shortly after final victory, upon an era of unprecedented production and unparalleled prosperity, because both the demand and the purchasing power for goods were present.

It must also be remembered that many of our wartime plants and industries began their reconversion programs long before the collapse of Japan.

The natural, normal, and expected prosperity, however, did not follow and today, after a year of peace, our country is bogged down in its reconversion program. Selfishness, greed, and strife are to be seen on every hand. An epidemic of strikes has brought about commercial and industrial paralysis.

Our people are still being regimented by New Deal politicians in Washington who want to maintain indefinitely wartime controls. They are more interested in retaining their autocratic power than they are in setting the people free.

The infinite red tape and voluminous, intricate, and contradictory rules and regulations by an overgrown, arrogant, and arbitrary bureaucracy have stifled initiative and enterprise, cut down effort and production, and retarded reconversion and recovery. Today in this land of plenty we are faced with scarcity. One cannot buy butter. It is hard to get meat. The shelves of our dry-goods stores, hardware stores, and lumber yards are empty. We still have raw materials and the tools and skilled labor to produce goods, but both OPA and

CPA, by their artificial controls, have reduced output. By increasing wages and costs and by freezing price ceilings, more than a million small businesses have been liquidated in the past 2 or 3 years.

The other side of the picture is just as bad. In 1940 we had \$6,500,000,000 in circulation—money not in banks. Today we have twenty-six and one-half billions in circulation, or more than four times as much as at the outbreak of the war. But what will your dollar buy?

Men and nations are not made rich by printing money. We have plenty of money but no goods. In fact, money is about the cheapest thing we have, but unfortunately men can neither eat nor wear it.

Our greatest need today is to stop printing money and begin producing goods, because money without goods will drive us to a ruinous inflation.

By creating scarcity and running our printing presses, the prices of all commodities are increased and black markets everywhere flourish. The Government loses revenue on bootleg transactions and our people pay exorbitant prices for inferior goods. Americans are tired of dealing under the counter. Let us be frank, forthright, and honest.

Competition in an open and free market will automatically bring about fair prices. Congress cannot repeal the natural economic law of supply and demand. There will be temporary fluctuations but under our free system, prices will naturally and normally adjust themselves. We will have an ample supply at a reasonable cost. Goods will bring no more and no less than they are actually worth.

Not only increased production is a cure of inflation but the American people should exercise common sense and self-restraint for just a few weeks. If we refused to buy things we did not really need or want, prices on every commodity would quickly be reduced and we would get back to where honest and decent people really live. I am not advocating a consumers' strike but I do wish to point out we should not be foolish and frantic—in spite of the OPA's psychology of fear—to purchase anything which we really do not need.

Future historians will call this the age of chiselization, and for very good and indisputable reasons. The OPA has made chiselers, cheats, cowards, and crooks out of good, loyal, law-abiding, honest American citizens.

The OPA is the same old political siren as the NRA. She now wears gingham instead of calico. Her aims, purposes, and methods are very much the same. She wants to get the halter around the necks of both business and workers and force them into a strait-jacket of regimentation.

Do we still want to maintain our American system of individual initiative and private enterprise, or adopt the foreign ideologies of mass regimentation and nationalization of the Nation's business?

After furnishing not only the 12,000,000 men and women in our own armed forces, but also those of our allies with the sinews of war—munitions, food, and clothing—it is now a bit strange that we should be asked or compelled to forsake

the American system and adopt a plan of some foreign country that proved insufficient for the day.

This resolution as framed is innocuous, and no more than shadow boxing. It is false and deceptive. It tries to resurrect a skeleton. Though the corpse has been dead only since last midnight and its body is still warm, it yet stinks. Dead or alive—it is rotten. Like a mackerel in the moonlight, it shines and stinks, stinks and shines.

Mr. Chairman, a thing that is basically wrong and fundamentally unsound, contrary to our whole philosophy of government, cannot be made right.

This measure needs not amendment, but extinction; not a physician, but an undertaker.

Let us bury it deep to remove the foul stench from all decent breathing Americans.

For many months our House Committee on Banking and Currency held long hearings, and finally made its report. The same committee in the other body did likewise. We passed a bill, sent it to the White House where it was vetoed over the protest of the leaders of the majority party in both Houses.

Never have I questioned the motives of any man, nor shall I do it now, but I do say that the administration that is now in power with a majority in both Houses for the past 14 years will have its own way. If there be failure, whom can anyone blame except the party that is in power, that has the majority in both Houses, and on every committee?

Mr. Chairman, this is not a political issue, but is an American question and we all should face it squarely. Frankly, I do not like some of the political sparring and parliamentary maneuvering that has been going on on each side this aisle. I believe that an overwhelming majority on both sides knows that it is bad legislation and that the OPA should end.

However, some men want to carry water on both shoulders until after the election. They blow hot and cold in the same breath and are unwilling to fish or cut bait. Better should they stand up and be counted and stop their pussyfooting. The American people will not forever be deceived.

When are we going to end this intolerable situation? Shall we postpone it indefinitely? There are some who would rather maintain wartime controls than to surrender their extraordinary powers voted under the cry of emergency. They are more interested in retaining their autocratic powers than in setting the people free.

For myself, sir, I hope and pray as I have often said, that we shall forever keep America a land where every man can walk the earth his own king, the equal lord of every other man, to go his own way, work out his own will, weave into the warp and woof of magic days, the dreams that haunt, the duties that inspire and urge him on.

Though I may be helpless I still want to live my own life and do not wish to become a ward of the Government. I would rather live in freedom and fail than to be bossed by a tyrant and succeed—according to the tyrant's standard.

Benjamin Franklin, one of our wisest

philosophers, greatest statesmen, and unexcelled patriots, once said:

He who surrenders a little liberty for temporary security deserves neither and will soon lose both.

Mr. WHITE. Mr. Chairman, I rise in opposition to the pro forma amendment.

I will not take the 5 minutes, but I want to say the gentleman from Missouri [Mr. SHORT], speaks of prosperity. What about the man on a fixed salary? What about the people on retirement pay? Let us do a little thinking here. Let us vote for a continuation of this resolution.

Mr. Chairman, I yield back the balance of my time.

Mr. SPENCE. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BALDWIN].

The question was taken; and on a division (demanded by Mr. BALDWIN of New York) there were—ayes 84, noes 159.

Mr. BALDWIN of New York. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. BROWN of Georgia, and Mr. BALDWIN of New York to act as tellers.

The Committee again divided, and the tellers reported that there were—ayes 82; noes 168.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Section 6 of the Stabilization act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting July 20, 1946."

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not know if this is a Macedonian cry or not, but I do know that it is an appeal to the Congress of the United States, and to the House of Representatives for courage and for leadership. I know of no time in my brief experience here when we have so badly needed those characteristics as we need them now.

We have had presented to us a request for an extension of the present OPA. I was by accident in a newsreel theater on Saturday evening when the President spoke. It seemed to me to be the speech of a somewhat frightened man who was concerned over a condition he himself had brought about. The incident which impressed me, and which I have not heard anybody else mention, is that when he called upon the OPA employees to stand at their "battle stations" there was audible laughter in the audience.

I believe the people of the United States, as evidenced by their attitude and the telegrams that have come to me, and the telegrams that have come to many other Representatives, are looking to the Congress of the United States to bring order out of this confusion.

Repeatedly this afternoon reference has been made to these telegrams and letters. One Member spoke of a flood of telegrams. Well, let us see: I have received 26 telegrams, including 1 radio-

gram from Tokyo. I will take for granted that the sender of the radiogram is from my district, when he is home. Two others were from the secretary of the California CIO Council, in San Francisco—one as the secretary, the other as an individual. A fourth was from Los Angeles and I will print it here.

Destroy OPA. Wage earning families, two veterans, can't get butter, meat, bread, suits, underwear, linens, refrigerators, lumber, automobiles, because of OPA. Please restore freedom. No British loans.

I congratulate the three signers of this telegram, Albert L. Hess, C. L. Reigelman, and Margaret Wheeler Hess, on their understanding of the present situation in the United States. They put the blame exactly where it belongs.

That leaves 24 telegrams from my district; not exactly a flood, in my opinion. Of the 24, 13 of the telegrams, signed by 31 people, want the immediate end of the OPA; they do not want any pulmotor used on the body sent to Congress by the President last Saturday. Three more telegrams, signed by three people, want rent controls only, and two other wires, signed by five people, want controls kept on both rents and food. Only five wires, signed by six people, want the OPA continued, and then I have one wire from the acting chairman of a local chapter of the American Veterans Committee also asking for the reenactment of the OPA controls.

This makes 13 wires against OPA; 5 for partial controls, and 6 for OPA; and it makes 31 individuals against OPA, 8 for partial controls, and 7 for OPA. I repeat, Mr. Speaker, this is not a flood of telegrams overwhelming the Congress with demands that OPA be saved.

More people in the United States still have confidence in the Congress than the majority party seems to realize, and particularly the majority members of the Banking and Currency Committee.

There is not a Member of this House who does not know that whether OPA controls are removed today, 10 days from now, 20 days from now, or 6 months from now there will follow a short period of confusion. We would do better to have the operation now and start the economic body of the Nation toward recovery. It has been said that steers are selling on the Chicago and Omaha markets for \$25 instead of the OPA "loss ceiling" of \$18. If so, I am surprised it is not more. That would do little more than take up the historically deceptive subsidies the OPA has been trying to fool us with. These would be only the first cattle offered after the death of price controls. More cattle will head immediately for the markets. It means the prices will come down. We have more cattle in the United States, almost, than we have ever had. I have said repeatedly that the end of controls will mean more meat, and cheaper meat, allowing for subsidies, on most of the common cuts.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Because cattle are up on the Chicago and Omaha markets does not mean that the price of

meat will be going up in the retail markets all over the country, because that is merely the black market price some people are already paying for their meat.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Wyoming.

Mr. BARRETT of Wyoming. I just learned that cattle were selling in Omaha today for \$22.50, and I understand that the top price in Chicago was about the same. The gentleman well knows that the cattle had to go up about 3 or 4 cents to compensate for the loss of the subsidies.

Mr. PHILLIPS. I know very well also that they are going into the regular markets and will therefore go into the regular distribution channels and not into the black market.

We have large crops of deciduous fruits, yet OPA decontrolled some of them, and left pears, with the second largest crop in the history of that commodity, with a ceiling under which the producer will take a loss if he ships. Potatoes are not being harvested in some areas. We have a great wheat crop. Fluid milk is at top production.

It was said here today that one market, I think in Chicago, was selling butter at 99 cents. Think a minute before getting excited. The OPA ceiling on wholesale butter was about 56 cents and the cream it took to make a pound of butter cost about 70 cents. Would you make butter? With the ceiling off and subsidies out of the way, butter will be about 75 cents, perhaps more, but probably not 99 cents. This 99-cent butter is the black market butter going back on the regular shelves at that price instead of the black market price of \$1.25, which black-market buyers in Chicago and New York and Los Angeles have been paying for it. If the customer has been going without butter for months and months, let her go without 99-cent butter for a few weeks more and the price will adjust itself, but Mr. Speaker, there will be butter.

There will be meat, through regular channels, not through unsanitary and wasteful black markets. The gentleman from Nebraska [Mr. MILLER] told several days ago how pancreatic products were in short supply because black-market operators do not make these products from slaughtered steers. There will be suits and underwear and refrigerators and lumber and the other things the veterans want, referring again to the telegram I quoted.

I see no advantage in a temporary renewal. We can just as well work on a regular bill. A temporary renewal will add to the present confusion. Supplies will not come to the markets, if there is still danger of losing on every shipment. Farmers and manufacturers and consumers will not know if OPA is alive or dead. Let us have courage to vote against the short extension; then vote for the Wolcott amendment to renew rent control, until this can be worked out, and then refuse all other controls which were killed Saturday by the President.

If the vetoed bill had continued the arbitrary powers of Mr. Bowles, I doubt if it would have been vetoed. It gave

supervision of foods to the Secretary of Agriculture, and it set up an independent decontrol board for other commodities. It was vetoed, and it is a curious thing that the veto message had no suggestion of the style of the President, but had a remarkable similarity in style to the recent radio speeches of Chester Bowles.

This is a time for courage and for leadership in the House of Representatives.

(Mr. PHILLIPS asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. Hook].

Mr. HOOK. Mr. Chairman, I was rather surprised and, I might say, actually shocked by the statement made on the floor of this House that there were more cattle on the hoof, more meat in the lockers, and the crops were abundant with food more plentiful than ever, and still we have scarcities in the retail stores today. The housewives are crying for bread, butter, meat, and clothing. If that is true, and I have no doubt but that it is true, then who is responsible for the black market? It is the big packers who are trying to browbeat the people into submission. It is the manufacturers who have deliberately withheld those things from the market in order to break down controls in this Nation. This is what I call a real strike. A strike to wring your last dollar or war bond from you.

Might I ask you now, you who have opposed labor, you who have criticized the strikes, who is on strike against the American people, in view of the statements that were made on the floor of this House? You know it is the packers and manufacturers of this Nation and those who would destroy price controls. Yes, might I say, and I say this honestly, that a big majority of the Republican Party with the exception of a very few like, for instance, my good friend, HOMER RAMEY, JOE BALDWIN, DICK WELCH, CHARLEY LAFOLLETTE, and a few others are on strike against the people today. You people were responsible for the loading down of the OPA with crippling amendments. Let us call a spade a spade. It is an actual fact, and you know it. You will get regular order next November, and the regular order will be an exodus of the people going down to the polls to show those who opposed OPA that the will of the people will rule.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. Buck].

Mr. BUCK. Mr. Chairman, there is another responsibility for the inflation which today hangs over this country. That responsibility lies with the Members of the Congress who voted before the war and who have voted since the war to spend Federal money in excess of receipts, and lo, those in the Congress who have been the greatest spenders are the ones who, too late, now recognize the sickness they have created and cry out

loudest for the opiate known as OPA. It is too late for opiates.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Vorys].

Mr. VORYS of Ohio. Mr. Chairman, I voted this afternoon for the amendment for a 60-day extension of OPA and for a 6-month extension, because I feel very profoundly that whatever Congress does should be a real extension; both of these amendments were defeated, and we are now back to where we started from this afternoon. I want to say that this 20-day proposition is a 100-percent phony. In the first place, we all know that the Senate is not going to pass this 20-day proposition. In the second place, we also know that if a 20-day bill were passed by both bodies today, it would calm nobody, comfort nobody, and reassure nobody, because we would still have complete uncertainty as to what the policy would be 20 days from now. We simply cannot get away from the fact that until the Congress determines upon a long-time policy and until the President approves that policy, or until the Congress enacts that policy over his veto, there is going to be confusion, turbulence, and uncertainty.

There is only one kind of new evidence that we can secure now while we are deliberating on what our price control policy should be, and that is how the United States acts with controls off, what element of self-control there is left in the American people, how prices function when there is no OPA. We will get that evidence and that evidence will be valuable in our consideration. But if we pass here a 20-day phony, letting anybody think that there is going to be real price control for the next 20 days, I think we are cowards.

If we had voted first to extend OPA for a substantial period, for 60 days or 6 months, then this House would have considered carefully what kind of extension we wanted and amendments would have been adopted to show the kind of extension we favored. Now it looks as if the House is going to pass this 20-day phony, without amendments, without even bothering about the fact that we are merely amending a dead law, and have put in no words that would revive it.

I have felt sure and feel sure of one thing, that unless and until we act on a long-time policy we are fooling ourselves and fooling the people.

The President asked for a workable OPA law. People are wiring me to vote for a workable law. I think the law we sent to the President was workable. In any case, a 20-day extension of a law that even the President says needs at least five changes, is a completely unworkable proposition. Mark my words, a 20-day extension just will not work.

But some of my colleagues are saying, this is an emergency; the President demands it. Well, I remember Saturday, May 25, when the President demanded an emergency law to stop a railroad strike against the Government. I voted for the bill he handed us, although I had no time to study it. I found out later that the emergency was a phony; that he knew when he started to talk to us that afternoon that there was no railroad strike.

From now on I am remembering that Truman-announced emergencies may be merely an excuse for him and his crowd to ask for more power.

This present proposition, of a 20-day amendment of a dead law, will help no one, not even President Truman, and in the end will fool no one except those who vote for it thinking they are helping someone; or fooling someone.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I have two amendments to offer to this resolution, but due to the limitations of time and the closing of debate I have not had an opportunity to offer either one of them. I do not suppose it would be possible for me to make any contribution to this argument that will have any effect whatsoever. However, I do not want the record to be barren and to show that someone at the time when amendments could be offered has not at least attempted to offer an amendment that would in effect commit this Congress to an effective price-control program for whatever period the extension is to be.

I do not care what the legislative council says with respect to this legislation, I know that this resolution was drawn with the idea that it would be passed last Saturday before the expiration of the present law. I say as a matter of common sense and the legalistic application of legal principles to this resolution that you are not going to accomplish the purpose that you intended. So I had at the Clerk's desk two amendments, one to the first section and one to the second section, which would reenact the provisions of the Stabilization Act and reenact the price-control law, and thus not have any question raised as to whether or not we are engaging in a mere futility by the adoption of this resolution. I submitted the amendments to the distinguished gentleman from Texas [Mr. PATMAN] and he was inclined to agree that the amendments should be offered. Then, after consultation with someone whom he identified as the legislative counsel for the committee, he came to the conclusion that the amendments would be superfluous. All I have to say to my colleagues is that sometime if this ultimately passes and you are attempting to protect prices and rents under the Stabilization and Price Control Acts, somebody will raise the question in the court as to whether or not you have in fact extended either act for the 20-day period. Then perhaps you will think that perhaps somebody should have raised this question here on the floor. It is too late now to do anything about it due to the steam-roller tactics.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The Clerk read as follows:

SEC. 3. The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations of the Commodity Credit Corporation and the Reconstruction Finance Corporation until July 20, 1946: *Provided*, That no new subsidy or purchase and sale operations shall be undertaken under the au-

thority of this section, and no change shall be made in the basis of any operations existing on June 29, 1946, for which funds are made available under this section which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

SEC. 4. The provisions of this joint resolution shall take effect as of June 30, 1946, except as to offenses committed subsequent to June 30, 1946, and prior to the date of the enactment of this joint resolution, and no suit, action, or prosecution shall be instituted with respect to any such offenses.

Mr. SUMNERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas: On page 2, in line 16, at the end of the bill, add a new section as follows:

"SEC. 5. That whenever any State or subdivision thereof, which shall have established provisions for the control and regulation of the rent of housing accommodations within its boundaries, notifies the United States Administrator or official controlling and regulating housing accommodations rents that it is prepared to assume such regulation and control, no provision relating to rent of housing accommodations of the Emergency Price Control Act of 1942, as amended, shall be applicable within such State or subdivision thereof."

Mr. SUMNERS of Texas. Mr. Chairman, the amendment which I have offered indicates the direction in which we may move to decentralize Federal control and add to governmental efficiency. In a sentence it proposes that when a State or subdivision of a State shall assume responsibility with regard to rent and shall notify the proper officials of the Federal Government that it is prepared to assume that responsibility, then the activities of the Federal organization in that community shall cease.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. PATMAN. How will this affect the veterans' emergency housing program which contemplates that the Expediter will permit people to build homes for veterans at a certain price if they do not rent the dwellings that are built over a certain amount? In other words, we would not want the States to go in there and interrupt the veterans' emergency housing program.

Mr. SUMNERS of Texas. Yes. I assure my colleague that I have checked in on that and I find that the Expediter will not operate under the powers to be effected by the proposed amendment. The Expediter does not have to do directly with rent control. I understand that before he will agree that building material be used, there must be an agreement as to rent to be charged. He does not otherwise have to do with rents.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. GORE. Many States have a provision in their constitution, including I think the gentleman's State constitution, prohibiting impairment of a contract.

Mr. SUMNERS of Texas. Yes. I have your point.

Mr. GORE. I wondered how effective that could be.

Mr. SUMNERS of Texas. The Federal Constitution provides that a State may not enact legislation impairing the obligation of contracts. It is held by the Supreme Court of the United States that notwithstanding that provision the States may control rents in congested areas. The State of New York, following World War I, enacted exactly that sort of legislation. It was challenged on the ground that it was in violation of the Federal Constitution. The case went to the Supreme Court, and in a most specific and clear sort of determination, the Supreme Court held that that legislation on the part of the State did not violate such a provision of the Constitution or that to which the gentleman refers. It is held that such legislation falls within the broad police power of the State, and is not affected by the prohibition that States may not enact laws impairing the obligation of contracts.

In the case of *Levy Leasing Co. v. Siegel* (258 U. S., p. 242), appealed from a decision of the Supreme Court of the State of New York to the Supreme Court of the United States, the constitutionality of the emergency housing law of the State of New York was sustained. Mr. Justice Clark of the Supreme Court delivering the opinion for the Court, the Court held:

The warrant for this legislative resort to the police power was the conviction on the part of the State legislators that there existed in the larger cities of the State a social emergency, caused by an insufficient supply of dwelling houses and apartments, so grave that it constituted a serious menace to the health, morality, comfort, and even to the peace of a large part of the people of the State. That such an emergency, if it really existed, would sustain a resort, otherwise valid, to the police power for the purpose of dealing with it cannot be doubted, for, unless relieved, the public welfare would suffer in respects which constitute the primary and undisputed, as well as the most usual, basis and justification for exercise of that power (police power).

If this Court were disposed, as it is not, to ignore the notorious fact that a grave social problem has arisen from the insufficient supply of dwellings in all large cities of this and other countries, resulting from the cessation of building activities incident to the war, nevertheless, these reports and the very great respect which courts must give to the legislative declaration that an emergency existed would be amply sufficient to sustain an appropriate resort to the police power for the purpose of dealing with it in the public interest.

The Court concluded with this language:

Given a constitutional substantive statute, enacted to give effect to a constitutional purpose, the States have wide discretion as to the remedies which may be deemed necessary to achieve such a result and it is very clear that that discretion has not been exceeded in this instance by the State of New York.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. SPENCE. If the State and the Federal Government both exercise the power, they have concurrent jurisdiction with reference to this?

Mr. SUMNERS of Texas. This amendment provides that if the State will exercise its power and assume the responsi-

bility, the Federal Government moves out of the picture.

Mr. SPENCE. But now, both exercise the same functions?

Mr. SUMNERS of Texas. Yes; they may. This amendment would remove all possibility of conflict.

Mr. SPENCE. Would you not have fragmentary and uncoordinated control if you gave it to the States, without any overseeing provision by the Federal Government?

Mr. SUMNERS of Texas. Not at all. The city of Flint, Mich., has always exercised this power, and I am assured they are doing a good job up there.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. HANCOCK. I just wanted to add that New York has a law establishing a moratorium on the foreclosure of mortgages, and that law has been sustained.

Mr. SUMNERS of Texas. Yes. I do not understand why people who believe in the philosophy of government that we profess to believe in, are not willing to have their State undertake to discharge this responsibility in their community, at least if they are willing to do so.

Mr. COMBS. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes, I yield to my colleague.

Mr. COMBS. Is it not a fact that the constitution of the State of Texas, in the article dealing with the bill of rights of such State, forbids impairment of contracts?

Mr. SUMNERS of Texas. Yes.

Mr. COMBS. And under that very provision our Supreme Court held unconstitutional the moratorium law in Texas.

Mr. SUMNERS of Texas. I am not advised. It might be so. I know that the Supreme Court of the State of New York held that a law of that State regulating rents was a constitutional exercise of its broad police power and the Supreme Court of the United States with the question squarely before it held that such regulation and control did not violate the Federal constitutional provision prohibiting a State from enacting legislation impairing the obligation of contract; that such legislation was within the States' police powers which were not interfered with by this constitutional provision.

Mr. Chairman, this is the proposed amendment:

That whenever any State or subdivision thereof, which shall have established provisions for the control and regulation of the rent of housing accommodations within its boundaries, notifies the United States Administrator or official controlling and regulating housing accommodations rents that it is prepared to assume such regulation and control, no provision relating to rent of housing accommodations of the Emergency Price Control Act of 1942, as amended, or of any other act shall be applicable within such State or subdivision thereof.

Mr. Chairman, the various communities of the States can do this job better than the agents of a great organization centering in Washington. But that is not the most important reason for the adoption. The thing which makes this proposed amendment of very great import-

ance now is that it is a definite movement against the present trend toward the decentralization of governmental power; a definite movement toward putting back in the States governmental powers within their governmental capacity. It is a movement toward reestablishing the governmental sovereignty of the States and toward having the people again look to their States as the responsible sovereign agency of general government, local domestic government. It is a movement toward what we profess to believe in.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. I move that all debate on this section and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. BALDWIN of New York. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BALDWIN of New York. At the time I offered my amendment to section 1, I stated that I had an amendment which I wanted considered at the same time with reference to section 2. In order to get the RECORD straight I would like unanimous consent to have had that considered at the same time. It simply changes the dates in the two paragraphs.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized for 2 minutes.

Mr. TABER. Mr. Chairman, I am wondering just what shape this proposition would leave the State of New York in. We have a rent-control law; we have a commissioner in charge of the operation. The whole thing is functioning, regulations have been promulgated, and it is in effect. If this rent-control amendment were adopted, I am wondering how it would operate. I am wondering what would happen, whether or not the State of New York would have to make a certificate to the Federal Government. I am rather inclined to believe that the amendment would tend to result in considerable confusion, and I am inclined to believe, also, that it would be a little difficult to handle with the picture that the gentleman from Texas presented to us when he was on the floor.

The CHAIRMAN. The gentleman from New York [Mr. REED] is recognized for 2 minutes.

Mr. REED of New York. Mr. Chairman, the gentleman from New York [Mr. TABER] made practically the point I wish to make. We have a rent control law in the State of New York and it went vigorously into effect yesterday. The State rent law operates under the sovereign power of the State of New York. For the life of me I cannot see just where this amendment offered by the gentleman from Texas would either benefit or injure us. I think it would lead to some confusion.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. SUMNERS of Texas. May I suggest to the gentleman that this would not at all disturb the State of New York if it assumed responsibility for rent control; it could not.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Miss SUMNER of Illinois. Representatives from New York appeared at the hearing and wanted a State amendment, perhaps not precisely like that offered by the gentleman from Texas, but they wanted that in principle.

Mr. HANCOCK. If the gentleman will yield, it simply means that where a State has taken over rents the Government will stay out. How can there be any objection to that from the standpoint of New York?

Mr. REED of New York. I have no objection if the State of New York still retains its sovereign rights.

Mr. GWYNNE of Iowa. If the gentleman will yield, would not the amendment produce conflict between State law and Federal law?

Mr. REED of New York. Yes; I think it would.

The CHAIRMAN. The time of the gentleman from New York has expired.

The gentleman from Georgia [Mr. BROWN] is recognized for 2 minutes.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, let us live by the rules of the game. It was announced here on the floor by the chairman of my committee just before we voted on the President's veto that a resolution would be offered at the suggestion of the President, asking for 20 days to consider another bill. It was contemplated that nothing would be in the resolution beyond the 20 days' extension so that the Banking and Currency Committee of the House could go carefully into all phases of another bill. I think, since the President's veto was sustained, we certainly ought to carry out his wishes.

I believe this amendment ought to be considered by the Banking and Currency Committee. It was the purpose of the rule when granted that matters dealing with OPA would be sent to the Banking and Currency Committee and there we could take up every phase of OPA. To come in here with one amendment to change rents, means opening the resolution to many amendments.

Let us carry out the wishes of the President as they were stated by the chairman of my committee when the President's veto was sustained. If you are going to deal with rent in the resolution, it would be germane to introduce many amendments, including the bill that the President vetoed.

Now let us be fair to all parties concerned and take back to the Banking and Currency Committee all phases of the OPA for consideration and carry out the wishes of the President, or make the resolution open to all amendments, including the bill he vetoed. If the Banking and Currency Committee is going to consider another bill, it should not be hampered by this resolution.

Therefore, I hope the amendment offered by the gentleman from Texas will be voted down and that the original intention of this resolution will be carried out.

Mr. GAMBLE. Mr. Chairman, this is similar to an amendment I offered when we had the price control bill under consideration.

The State of New York is the only State in the Union that has a rent control act of its own. Last night, as my colleagues have said, this was invoked by Governor Dewey. He has appointed a rent director. He issued his executive order last night and froze rents at the same ceilings that are now in effect under the OPA law. We are ready to operate. The rest of you are in trouble and we would like to keep going under our own law, and I hope this is enacted.

The CHAIRMAN. The gentleman from Kentucky [Mr. SPENCE] is recognized.

Mr. SPENCE. Mr. Chairman, I feel the same way that my colleague from Georgia [Mr. BROWN] does, that we should not load down this simple resolution to give us 20 days to consider these matters with amendments.

The distinguished gentleman from Texas has said this regulation on rents might be under the police powers of the States. I can see how that might be done under slum clearance and by other agencies, but the Constitution of the United States says, that no State shall make laws impairing the obligation of contracts and that applies to every State in the Union. I do not see how the States can impair the obligations that exist now under contracts between landlord and tenant.

As I stated, I feel like the gentleman from Georgia does. I feel the States ought to exercise their function and I feel this agency should be temporary, but I am afraid if we take this step we will get into a chaotic condition and we do not know what the result will be; therefore I ask that the amendment be defeated.

Mr. SUMNERS of Texas. Mr. Chairman, in view of the statement of the chairman of the committee, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee having had under consideration House Joint Resolution 371, pursuant to House Resolution 689, he reported the resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the resolution.

Mr. WOLCOTT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. WOLCOTT moves to recommit House Joint Resolution 371 to the Committee on Banking and Currency.

Mr. SPENCE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the resolution.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 283, nays 61, answered "present" 1, not voting 87, as follows:

[Roll No. 193]

YEAS—283

Abernethy	Earthman	Johnson, Ind.
Allen, La.	Elliott	Johnson,
Almond	Ellis	Luther A.
Andersen,	Elsaesser	Johnson,
H. Carl	Elston	Lyndon B.
Andrews, Ala.	Engle, Calif.	Judd
Angell	Ervin	Kean
Auchincloss	Fallon	Kearney
Bailey	Felghan	Kee
Baldwin, Md.	Fenton	Keefe
Baldwin, N. Y.	Fernandez	Kelley, Pa.
Barrett, Pa.	Fisher	Kelly, Ill.
Barrett, Wyo.	Flannagan	Keogh
Barry	Flood	Kerr
Bates, Ky.	Fogarty	Kilday
Beall	Folger	King
Beckworth	Forand	Kirwan
Bender	Fuller	Klein
Bennet, N. Y.	Fulton	Kopplemann
Bennett, Mo.	Gallagher	Kunkel
Biemiller	Gamble	LaFollette
Blackney	Gary	Landis
Bland	Gathings	Lane
Bloom	Gavin	Lanham
Bolton	Gearhart	Latham
Brooks	Geelan	Lea
Brown, Ga.	Gerlach	LeFevre
Bryson	Gillie	Lesinski
Buchanan	Gordon	Lewis
Buck	Gore	Link
Buckley	Gorski	Luce
Bunker	Graham	Lyle
Butler	Granahan	Lynch
Byrne, N. Y.	Grant, Ind.	McConnell
Canfield	Green	McCormack
Cannon, Fla.	Gregory	McDonough
Cannon, Mo.	Griffiths	McGlinchey
Carlson	Hale	McMillan, S. C.
Carnahan	Hall	McMillen, Ill.
Case, N. J.	Edwin Arthur	Madden
Case, S. Dak.	Hall,	Maloney
Celler	Leonard W	Manasco
Chapman	Halleck	Marcantonio
Chelf	Hancock	Martin, Mass.
Chenoweth	Hand	Mathews
Chipherfield	Hare	May
Church	Harless, Ariz.	Michener
Clark	Hart	Mills
Clason	Hartley	Monroney
Clements	Havener	Morgan
Cole, Mo.	Hays	Morrison
Cole, N. Y.	Healy	Mundt
Combs	Hébert	Murdock
Cooley	Hedrick	Murphy
Cooper	Heffernan	Murray, Tenn.
Courtney	Hendricks	Murray, Wis.
Cravens	Henry	Neely
Crosser	Hertter	Norblad
Cunningham	Heseltun	O'Brien, Ill.
D'Alesandro	Hess	O'Brien, Mich.
Davis	Hill	O'Konski
Dawson	Hinshaw	O'Neal
De Lacy	Hobbs	O'Toole
DeLaney.	Hoch	Outland
John J.	Hoeven	Patman
D'Ewart	Holmes, Mass.	Peterson, Fla.
Dingell	Holmes, Wash.	Pfeifer
Dirksen	Hook	Philbin
Domengeaux	Hope	Pickett
Dondero	Howell	Plumley
Doughton, N. C.	Huber	Poage
Douglas, Calif.	Hull	Pratt
Douglas, Ill.	Jackson	Price, Fla.
Doyle	Jarman	Price, Ill.
Durham	Johnson, Calif.	Priest

Quinn, N. Y.	Sadowski	Thom
Rabaut	Sasser	Thomas, Tex.
Rabin	Savage	Thomason
Rains	Scrivner	Tibbott
Ramey	Sharp	Towe
Randolph	Sheppard	Traynor
Rayfield	Sheridan	Trimble
Reed, Ill.	Smith, Maine	Voorhis, Calif.
Rees, Kans.	Smith, Va.	Walter
Resa	Somers, N. Y.	Wasielewski
Richards	Sparkman	Weaver
Riley	Spence	White
Rivers	Springer	Whitten
Robertson, Va.	Starkey	Whittington
Robison, Ky.	Stefan	Wigglesworth
Rockwell	Stevenson	Wilson
Rogers, Fla.	Sullivan	Wolverton, N. J.
Rogers, Mass.	Sumners, Tex.	Woodhouse
Rogers, N. Y.	Sundstrom	Woodruff
Rowan	Talbot	Zimmerman
Ryter	Talle	
Sabath	Taylor	

NAYS—61

Allen, Ill.	Hagen	Robertson,
Arends	Jenkins	N. Dak.
Arnold	Jensen	Roe, Md.
Bishop	Johnson, Ill.	Schwabe, Mo.
Brehm	Jones	Schwabe, Okla.
Brown, Ohio	Jonkman	Shafer
Brumbaugh	Kinzer	Short
Buffett	Knutson	Simpson, Ill.
Byrnes, Wis.	Lemke	Simpson, Pa.
Campbell	McCowan	Smith, Ohio
Clevenger	McGregor	Smith, Wis.
Curtis	Martin, Iowa	Stockman
Dolliver	Mason	Sumner, Ill.
Dworshak	Merrow	Taber
Ellsworth	Miller, Nebr.	Vorys, Ohio
Fellows	O'Hara	Vursell
Gillette	Phillips	Wadsworth
Goodwin	Pittenger	Welch
Gross	Reed, N. Y.	Winter
Gwinn, N. Y.	Rich	Wolcott
Gwynne, Iowa	Rizley	

ANSWERED "PRESENT"—1

Larcade

NOT VOTING—87

Adams	Engel, Mich.	Norton
Anderson, Calif.	Gardner	Pace
Andresen,	Gibson	Patrick
August H.	Gifford	Patterson
Andrews, N. Y.	Gillespie	Peterson, Ga.
Barden	Gossett	Ploeser
Bates, Mass.	Granger	Powell
Bell	Grant, Ala.	Rankin
Bonner	Harness, Ind.	Reece, Tenn.
Boren	Harris	Robinson, Utah
Boykin	Hoffman, Mich.	Rodgers, Pa.
Bradley, Mich.	Hoffman, Pa.	Roe, N. Y.
Bradley, Pa.	Holfield	Rooney
Bulwinkle	Horan	Russell
Camp	Izac	Sikes
Clippinger	Jennings	Slaughter
Cochran	Johnson, Okla.	Stewart
Coffee	Kefauver	Stigler
Cole, Kans.	Kilburn	Tarver
Colmer	LeCompte	Thomas, N. J.
Corbett	Ludlow	Tolan
Cox	McGehee	Torrens
Crawford	McKenzie	Vinson
Curlley	Mahon	Welch
Daughton, Va.	Mankin	West
Delaney,	Mansfield,	Wickersham
James J.	Mont.	Winstead
Drewry	Mansfield, Tex.	Wolfenden, Pa.
Eaton	Miller, Calif.	Wood
Eberharter	Norrell	Worley

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Ploeser for, with Mr. Hoffman of Michigan against.

Mr. Pace for, with Mr. Wood against.

Mrs. Mankin for, with Mr. Clippinger against.

Mr. Thomas of New Jersey for, with Mr. Kilburn against.

Mr. Eaton for, with Mr. Bradley of Michigan against.

Mr. Slaughter for, with Mr. Larcade against.

Mr. Gillespie for, with Mr. Adams against.

General pairs until further notice:

Mr. Vinson with Mr. Horan.

Mr. Drewry with Mr. Jennings.

Mr. Izac with Mr. Harness of Indiana.

Mr. Camp with Mr. Gifford.

79TH CONGRESS
2D SESSION

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 2, 1946

Read first time by title

JULY 3, 1946

Read twice and referred to the Committee on Banking and Currency

JOINT RESOLUTION

Extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That section 1 (b) of the Emergency Price Control Act of
4 1942, as amended, is amended by striking out "June 30,
5 1946" and substituting "July 20, 1946".

6 SEC. 2. Section 6 of the Stabilization Act of 1942, as
7 amended, is amended by striking out "June 30, 1946" and
8 substituting "July 20, 1946".

9 SEC. 3. The last paragraph of section 2 (e) of the
10 Emergency Price Control Act of 1942, as amended by the

1 Stabilization Extension Act of 1944, shall not apply with
2 respect to operations of the Commodity Credit Corporation
3 and the Reconstruction Finance Corporation until July 20,
4 1946: *Provided*, That no new subsidy or purchase and sale
5 operations shall be undertaken under the authority of this
6 section, and no change shall be made in the basis of any
7 operations existing on June 29, 1946, for which funds are
8 made available under this section which will increase the
9 rate of any subsidy or the rate of loss incurred with respect
10 to any commodity.

11 SEC. 4. The provisions of this joint resolution shall take
12 effect as of June 30, 1946, except as to offenses committed
13 subsequent to June 30, 1946, and prior to the date of the
14 enactment of this joint resolution, and no suit, action, or
15 prosecution shall be instituted with respect to any such
16 offenses.

Passed the House of Representatives July 1, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

JOINT RESOLUTION

Extending the effective period of the Emergency
Price Control Act of 1942, as amended, and
the Stabilization Act of 1942, as amended.

JULY 2, 1946

Read first time by title

JULY 3, 1946

Read twice and referred to the Committee on
Banking and Currency

stockpiling strategic and critical materials (pp. 8418-20).

16. LABOR. Received the President's message stating that he has approved H. R. 32, the Hobbs anti-racketeering bill, after receiving an opinion from the Attorney General regarding its effect (p. 8417).
17. HOUSING. Rep. Healy, Calif., spoke in favor of S. 1592, the Wagner-Ellender-Taft bill (p. 8378).
18. FLOOD CONTROL. Received from the War Department flood-control survey reports on Clinton and Skagway Rivers (H. Docs. 694, 695). To Flood Control Committee. (p. 8423.)
19. ADJOURNED until Fri., July 5 (p. 8423). Legislative program this week, as announced by the majority leader: Mon., Tues., Thurs., Fri., Sat., British loan; Wed., Calendar Wed.; after British loan, atomic energy (p. 8418).

BILLS INTRODUCED - July 3

20. PAYMENTS IN LIEU OF TAXES. S. 2410, by Sen. Bushfield, S. Dak., to provide for a uniform method of payments to the States on account of U. S. lands. To Public Lands and Surveys Committee. (p. 8320.)
21. BUILDINGS AND GROUNDS. S. 2412, by Sen. Andrews, Fla., to provide for site acquisition and design of Federal buildings. To Public Buildings and Grounds Committee. (p. 8320.)
22. PRICE CONTROL. H. J. Res. 376, by Rep. Kunkel, Pa., "providing for price control." To Banking and Currency Committee. (p. 8424.)
23. SUGAR SUPPLY. H. Res. 695, by Rep. Price, Fla., providing for appointment of a select committee to investigate the sugar supply. To Rules Committee. (p. 8424.)

ITEMS IN APPENDIX - July 3

24. PRICE CONTROL. Various speeches, insertions, etc. (pp. A4092-3, 4104-5, 4106, 4108, 4109, 4110-11).
25. DAIRY INDUSTRY. Extension of remarks of Rep. Doyle, Calif., on Calif. observation of dairy month (pp. A4089-92).
26. HOUSING. Various statements, insertions, etc., on the housing program (pp. A4108-9, 4113, 4120, 4120-1, 4124, 4127).
27. FOOD-CLOTHING SHORTAGE. Rep. Rogers, Mass., inserted a letter from J.F. Hodge stating that New England has been discriminated against in the distribution of food and clothing (p. A4111).
28. FERTILIZER. Rep. Cooley, N. C., inserted a National Grange statement opposing the provision in the Government corporations appropriation bill for a TVA fertilizer plant (p. A4123).
29. FARMERS' AVIATION. Rep. Hagen, Minn., inserted a Plane Talk Magazine article, "How Planes Serve the Farmer" (pp. A4125-6).
30. CONGRESSIONAL REORGANIZATION. Rep. Lane, Mass., inserted a National Policies Committee statement favoring congressional reorganization (pp. A4126-7).

31. PRICE CONTROL. The Banking and Currency Committee reported with amendment H. J. Res. 371, to continue the Price Control and Stabilization Acts (pp. 8459-63). Except for modification of the Taft and Wherry amendments, this measure, as reported by the Committee, is the same as the bill which was vetoed.

SENATE - July 5

32. PRICE CONTROL. Began debate on H.J. Res. 371, to extend the Price Control and Stabilization Acts (pp. 8430-1, 8445-63).
Sen. Wherry, Nebr., submitted an amendment which he intends to propose to H.J. Res. 371, which would exclude livestock, poultry, and eggs or their products from price control (pp. 8445-6) and an amendment providing for a prewar mark-up on any commodity calculated on the average percentage mark-up of distributors and retailers for such commodity for the period between Oct. 1 and 15, 1945 (pp. 8446-7).
Sens. Taft (Ohio) and McCarran (Nev.) submitted amendments which they intend to propose to H.J. Res. 371 (p. 8428).
Sen. Wagner, N.Y., inserted Elmo Roper's N.Y. Herald Tribune article stating that a poll taken indicates a majority of the public in favor of OPA continuation (pp. 8428-9).
Sen. Capper, Kans., inserted an Atchison (Kans.) Globe editorial questioning whether or not prices would remain stable without price control (p. 8429).
Sen. Robertson, Wyo., inserted a Washington Post editorial, "What Price Meat" (p. 8429).
Received sundry citizens' petitions favoring and opposing OPA continuation (p. 8426).
33. FLOOD CONTROL. Passed with amendments H.R. 6597, the omnibus flood-control bill (pp. 8448-53). As passed the bill differs in the following respects from the form in which it passed the House: The amount authorized for improvements by the War Department is increased by \$22,000,000; authorization for several specific projects is added; an irrigation storage reservoir on the North Canadian River project is authorized; and a report by the U.S. Army Engineers is required before Congress can authorize or hold hearings on any flood control project.
Sens. Brooks, Hart, Brewster, and Cordon were appointed conferees (p. 8453). House conferees not yet appointed.
34. RIVERS AND HARBORS. Passed with amendments H.R. 6407, the omnibus rivers and harbors bill (pp. 8431-45, 8447-8). Senate conferees were appointed (p. 8448). House conferees not yet appointed.
35. VOCATIONAL EDUCATION. Passed as reported S. 619, to provide for the further development of vocational education in the U.S. and its territories (pp. 8453-5). This bill provides additional Federal grants-in-aid in order to extend the present vocational education program in agriculture, home economics, trade and industry, distributive occupations, and vocational guidance; and continues the present method of administering vocational education by States and local communities as provided in the original George-Deen Act. The committee decreased the total authorizations from \$97,500,000 to \$16,150,000 by eliminating the items for public service training; training for office occupations; area vocational schools; and State supervision of industrial arts education.
36. TRADE MARKS. Passed as reported H.R. 3424, to permit renewal of certain trademark registrations at their expiration (pp. 8455-6).
37. EXPENDITURES. Sen. Taft, Ohio, inserted estimates of Federal expenditures for

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 2, 1946

Read first time by title

JULY 3, 1946

Read twice and referred to the Committee on Banking and Currency

JULY 4, 1946

Reported under authority of the order of the Senate of July 3, 1946 by
Mr. BARKLEY with an amendment

[Omit the part struck through and insert the part printed in italic]

JOINT RESOLUTION

Extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That section 1 (b) of the Emergency Price Control Act of
4 1942, as amended, is amended by striking out "June 30,
5 1946" and substituting "July 20, 1946".

6 SEC. 2. Section 6 of the Stabilization Act of 1942, as
7 amended, is amended by striking out "June 30, 1946" and
8 substituting "July 20, 1946".

1 SEC. 3. The last paragraph of section 2 (e) of the
2 Emergency Price Control Act of 1942, as amended by the
3 Stabilization Extension Act of 1944, shall not apply with
4 respect to operations of the Commodity Credit Corporation
5 and the Reconstruction Finance Corporation until July 20,
6 1946: *Provided*, That no new subsidy or purchase and sale
7 operations shall be undertaken under the authority of this
8 section, and no change shall be made in the basis of any
9 operations existing on June 29, 1946, for which funds are
10 made available under this section which will increase the
11 rate of any subsidy or the rate of loss incurred with respect
12 to any commodity.

13 SEC. 4. The provisions of this joint resolution shall take
14 effect as of June 30, 1946, except as to offenses committed
15 subsequent to June 30, 1946, and prior to the date of the
16 enactment of this joint resolution, and no suit, action, or
17 prosecution shall be instituted with respect to any such
18 offenses.

19 *That section 1 (b) of the Emergency Price Control Act of*
20 *1942, as amended, is amended by striking out "June 30,*
21 *1946" and substituting "June 30, 1947".*

22 SEC. 2. *Section 6 of the Stabilization Act of 1942, as*
23 *amended, is amended by striking out "June 30, 1946" and*
24 *substituting "June 30, 1947".*

25 SEC. 3. *Title I of the Emergency Price Control Act of*

1 1942, as amended, is amended by inserting after section 1
2 thereof a new section as follows:

3 “PURPOSES AND POLICIES IN THE TRANSITION PERIOD

4 “SEC. 1A. (a) OBJECTIVES.—The Congress hereby
5 affirms—

6 “(1) that because of abnormally excess spending
7 power in relation to the presently available supply of
8 commodities, rapid attainment of production equal to
9 the public demand is one of the necessary and urgent
10 objectives for the prevention of inflation and for the
11 achievement of a reasonable stability in the general level
12 of prices and rents, cost of living and costs of produc-
13 tion (including labor costs), for the purposes set forth
14 in section 1 of this Act and for the further purposes of
15 protecting the real value of benefits provided by law for
16 veterans and their dependents, of keeping faith with pur-
17 chasers of United States War Bonds, and of making
18 possible a successful transition to a peacetime economy
19 of maximum employment, production, and purchasing
20 power under a system of free enterprise;

21 “(2) that unnecessary or unduly prolonged controls
22 over prices and rents and use of subsidies would be incon-
23 sistent with the return to such a peacetime economy and
24 would tend to repress and prevent the attainment of this
25 and the other goals herein declared; and

1 “(3) that adequate prices are necessary stimulants to
2 the production thus desired and the expeditious attainment
3 of said goals.

4 “(b) *DECLARATION OF DECONTROL POLICY.*—There-
5 fore, it is hereby declared to be the policy of the Congress that
6 the Office of Price Administration, and other agencies of the
7 Government, shall use their price, subsidy, and other powers
8 to promote the earliest practicable balance between production
9 and the demand therefor of commodities under their control,
10 and that the general control of prices and the use of subsidy
11 powers shall, subject to other specific provisions of this Act,
12 be terminated as rapidly as possible consistent with the policies
13 and purposes set forth in this section and in no event later
14 than June 30, 1947, and on that date the Office of Price
15 Administration shall be abolished.

16 “(c) *RECOMMENDATIONS BY THE PRESIDENT TO THE*
17 *CONGRESS.*—(1) As soon as practicable after the enactment
18 of this section and in any event on or before January 15,
19 1947, the President shall recommend to the Congress such
20 further legislation as in his judgment is needed to establish
21 monetary, fiscal, and other policies which are adequate to
22 supplement the control of prices and wages during the balance
23 of the fiscal year 1947, and to insure that general control of
24 prices and wages can be terminated by the end of that fiscal
25 year without danger of inflation thereafter.

1 “(2) On or before April 1, 1947, the President shall
2 report to the Congress what, if any, commodities or classes of
3 commodities, including housing accommodations, are in such
4 critically short supply as to necessitate, in his judgment, the
5 continuance of the powers granted by this Act as to them after
6 June 30, 1947, together with his recommendations as to estab-
7 lished departments or agencies of the Government (other than
8 the Office of Price Administration) which should be charged
9 with the administration of such powers.

10 (d) DECONTROL OF NONAGRICULTURAL COMMODI-
11 TIES.—(1) On or before December 31, 1946, the Adminis-
12 trator shall decontrol all nonagricultural commodities not
13 important in relation to business costs or living costs, and
14 prior to that date shall proceed with such decontrol as rapidly
15 as, in his judgment, will be consistent with the avoidance of a
16 cumulative and dangerous unstabilizing effect. In no event
17 shall maximum prices be maintained after December 31,
18 1946, for any nonagricultural commodity or class of commod-
19 ities unless the same has been expressly found by the Admin-
20 istrator to be important in relation to business costs or living
21 costs.

22 “(2) The Administrator shall provide for the prompt
23 removal of maximum prices in the case of any nonagricul-
24 tural commodity whenever the supply thereof exceeds or is in

1 approximate balance with the demand therefor (including
2 appropriate inventory requirements).

3 “(3) Whenever, after a reasonable test period, it ap-
4 pears that the supply of a nonagricultural commodity which
5 has been decontrolled is no longer consistent with the applic-
6 able decontrol standard, the Administrator, with the advance
7 consent in writing of the Price Decontrol Board established
8 under subsection (h), shall reestablish such maximum prices
9 for the commodity, consistent with applicable provisions of
10 law, as in his judgment may be necessary to effectuate the
11 purposes of this Act.

12 “(e) AGRICULTURAL COMMODITIES.—(1) On the first
13 day of the first calendar month which begins more than thirty
14 days after the date of enactment of this section, the Secretary
15 of Agriculture shall certify to the Price Administrator each
16 agricultural commodity which such Secretary determines to
17 be in short supply. Thereafter, on the first day of each
18 succeeding calendar month the Secretary shall certify modi-
19 fications of such certification by adding other agricultural
20 commodities which have become in short supply and by re-
21 moving from such certification such commodities which he
22 determines are no longer in short supply. No maximum
23 price shall be applicable with respect to any agricultural
24 commodity during any calendar month which begins more
25 than thirty days after the date of enactment of this section,

1 unless such commodity is certified to the Price Administrator
2 under this paragraph as being in short supply.

3 “(2) (A) Whenever the Secretary of Agriculture de-
4 termines that maximum prices applicable to any agricultural
5 commodity which is in short supply are impeding the necessary
6 production of such commodity, he may recommend to the
7 Price Administrator such adjustments in such maximum prices
8 as the Secretary determines to be necessary to attain the neces-
9 sary production of such commodity.

10 “(B) The Secretary of Agriculture by December 31,
11 1946, shall recommend to the Price Administrator the removal
12 of maximum prices on all agricultural commodities, whether
13 or not in short supply, not important in relation to business
14 costs or living costs, and prior to that date shall make such
15 recommendations as rapidly as, in his judgment, will be con-
16 sistent with the avoidance of a cumulative and dangerous
17 unstabilizing effect.

18 “(C) Within ten days after the receipt of any recommen-
19 dation under this subsection for the adjustment of maximum
20 prices applicable to any agricultural commodity, or for the
21 removal of maximum prices on agricultural commodities not
22 important in relation to business costs or living costs, the
23 Price Administrator shall adjust or remove such minimum
24 prices in accordance with such recommendations.

25 “(3) Whenever the Secretary of Agriculture determines

1 *that an agricultural commodity with respect to which maxi-*
 2 *mun prices have been removed is in short supply and that*
 3 *the reestablishment of maximum prices with respect thereto*
 4 *is necessary to effectuate the purposes of this Act, the Secre-*
 5 *tary, with the written consent of the Price Decontrol Board,*
 6 *may recommend to the Administrator, and the Administrator*
 7 *shall establish, such maximum prices with respect to such*
 8 *commodity, consistent with applicable provisions of law, as*
 9 *in the judgment of the Secretary are necessary to effectuate*
 10 *the purposes of this Act.*

11 “(4) For the purposes of this section (except subpara-
 12 graph (6) of this subsection (d))—

13 “(A) an agricultural commodity shall be deemed to
 14 be in short supply unless the supply of such commodity
 15 equals or exceeds the requirements for such commodity
 16 for the current marketing season;

17 “(B) the term ‘agricultural commodity’ shall be
 18 deemed to mean any agricultural commodity and any
 19 food or feed product processed or manufactured in whole
 20 or substantial part from any agricultural commodity.

21 “(5) Notwithstanding any other provision of this or any
 22 other law, except as provided in subsection (h), the Secretary
 23 of Agriculture, in exercising his functions under this Act,
 24 shall not be subject to the direction or control of any other
 25 appointive officer or agency in the executive branch of the

1 Government, and no such officer or agency shall undertake to
2 exercise any direction or control over the Secretary of Agri-
3 culture with respect to the exercise of such functions. The
4 Secretary of Agriculture may at any time withdraw his ap-
5 proval of any action with respect to which his approval is
6 required under this Act, and upon the withdrawal of his
7 approval such action shall be rescinded.

8 “(6) No maximum price and no regulation or order un-
9 der this Act or the Stabilization Act of 1942, as amended,
10 shall be applicable with respect to any agricultural commod-
11 ity, or any service rendered with respect to any agricultural
12 commodity, unless a regulation or order establishing a maxi-
13 mum price with respect to such commodity had been issued
14 under this Act prior to April 1, 1946.

15 “(f) SAVING PROVISION.—Nothing in this section shall
16 limit the Administrator’s authority to remove maximum prices
17 for any nonagricultural commodity, or any agricultural com-
18 modity with the approval of the Secretary of Agriculture, at
19 an earlier time than would be required by this section, if in
20 his judgment or in the judgment of the Secretary of Agricul-
21 ture, as the case may be, such action would be consistent with
22 the purposes of this section.

23 “(g) PETITIONS FOR DECONTROL.—(1) If in the judg-
24 ment of the industry advisory committee appointed by the

1 Administrator in accordance with section 2 (a) of this Act
2 to advise and consult with respect to a commodity, the stand-
3 ards set forth in this section require the removal of maximum
4 prices for such commodity, it may file a petition for the re-
5 moval of such maximum prices. In the case of any nonagri-
6 cultural commodity, such petition shall be filed with the Ad-
7 ministrator in accordance with regulations prescribed by
8 him. In the case of agricultural commodities, such petition
9 shall be filed with the Secretary of Agriculture in accordance
10 with regulations prescribed by him and shall request that he
11 make an appropriate certification or recommendation to the
12 Price Administrator. The petition shall specifically state the
13 grounds upon which the committee believes such action to be
14 required and shall be accompanied by affidavits or other
15 written evidence in support thereof.

16 “2” Within fifteen days after receiving a petition filed in
17 accordance with the provisions of this subsection, the Adminis-
18 trator or the Secretary of Agriculture, as the case may be,
19 shall either grant the petition or inform the committee in writ-
20 ing why in his judgment the standards for decontrol stated
21 in subsections (d) and (e) have not been satisfied with respect
22 to the commodity involved. If the petition is not granted in
23 full, the Administrator or the Secretary, as the case may be,
24 shall, within ten days after the receipt of a request by the com-
25 mittee for further consideration of its petition, hold a hearing

1 before himself or before a deputy administrator (or, in the
2 case of the Secretary, before such officer as he may designate)
3 at which the committee may present its argument in support
4 of the petition. The Consumers Advisory Committee and the
5 Labor Advisory Committee appointed by the Administrator
6 shall be given notice of any such hearing and an opportunity
7 to present their views with respect to the petition and may, not
8 later than five days prior to such hearing, present in writing
9 evidence relating thereto. Within fifteen days after such hear-
10 ing, the Administrator or the Secretary, as the case may be,
11 shall either grant the petition in full or furnish the industry
12 advisory committee with a statement in writing of his reasons
13 for denying it in whole or in part together with a statement
14 of any economic data or other facts of which he has taken
15 official notice in connection with such denial.

16 “(3) At any time within thirty days after the denial in
17 whole or in part, following a hearing, of a petition filed under
18 this subsection, the petitioning industry advisory committee
19 may petition the Price Decontrol Board established under sub-
20 section (h) for a review of the action of the Administrator or
21 the Secretary of Agriculture. If the Administrator or the
22 Secretary, as the case may be, fails to act upon a petition
23 within the time prescribed by paragraph (2), the industry
24 advisory committee may, at any time within thirty days after
25 the expiration of the time so prescribed, petition the Price

1 *Decontrol Board for the removal of maximum prices on the*
 2 *commodity involved.*

3 “(4) *Nothing in this section shall be construed to take*
 4 *away or impair any right of any person to protest, in accord-*
 5 *ance with the provisions of sections 203 and 204 of this Act,*
 6 *the further maintenance of maximum prices for a commodity*
 7 *under the standards of subsection (d) or (e): Provided, That*
 8 *the filing of such a protest or of a petition under paragraph*
 9 *3 of this subsection shall not be grounds for staying any pro-*
 10 *ceeding brought pursuant to section 205 of this Act or section*
 11 *37 of the Criminal Code, and no retroactive effect shall be*
 12 *given to any judgment setting aside a provision of a regula-*
 13 *tion, order, or price schedule under the standards set forth*
 14 *in this section.*

15 “(h) *PRICE DECONTROL BOARD.—(1) There is hereby*
 16 *established as an independent agency in the executive branch*
 17 *of the Government a Price Decontrol Board, to be composed*
 18 *of three members appointed by the President by and with the*
 19 *advice and consent of the Senate. Not more than two mem-*
 20 *bers of the Board shall be members of the same political party.*
 21 *Two members of the Board shall constitute a quorum, and*
 22 *a vacancy in the membership of the Board shall not impair*
 23 *the power of the remaining members to exercise its functions.*
 24 *Members of the Board shall receive compensation at the rate*
 25 *of \$12,000 a year.*

1 (2) *The Board shall appoint and fix the compensation*
2 *of a secretary for the Board and such other officers and em-*
3 *ployees as may be necessary to enable it to perform its func-*
4 *tions. The Board may make such expenditures as may be*
5 *necessary for performing its functions. The Board may,*
6 *with the consent of the head of the department or agency con-*
7 *cerned, utilize the facilities, services, and personnel of other*
8 *agencies or departments of the Government. The Board*
9 *shall maintain an office in charge of its secretary in the Dis-*
10 *trict of Columbia, which shall be open on all business days*
11 *for the receipt of petitions for review and the transaction of*
12 *other business of the Board. The Board shall prescribe regu-*
13 *lations and procedures for the conduct of its business which*
14 *will provide for summary disposition, with the utmost expedi-*
15 *tion consistent with sound decision, of petitions filed with*
16 *the Board.*

17 “(3) *A petition made under subsection (g) (3) shall*
18 *specifically state the grounds upon which the petitioning indus-*
19 *try advisory committee believes that maximum prices on the*
20 *commodity involved should be removed. A copy of such peti-*
21 *tion shall forthwith be served on the Administrator or the Sec-*
22 *retary, as the case may be, who shall within such time as may*
23 *be fixed by the Board certify and file with the Board a tran-*
24 *script of such portions of the proceedings in connection with*
25 *the petition under subsection (g) as are material. Such*

1 transcript shall include a statement in writing of the Admin-
2 istrator's or Secretary's reasons for believing that maximum
3 prices on the commodity involved should not be removed, to-
4 gether with a statement of any economic data or other facts
5 of which he has taken official notice. At the earliest prac-
6 ticable time the Board shall conduct a hearing upon the peti-
7 tion, at which the Administrator or the Secretary, as the case
8 may be, and the committee shall be given an opportunity to
9 present their views and argument orally or in writing. If
10 application is made to the Board by either party for leave to
11 introduce additional evidence, the Board may permit such
12 evidence to be introduced or filed with it if it deems it material
13 and determines that such evidence could not reasonably have
14 been offered or included in the proceedings under subsection
15 (g). At the earliest practicable time after the hearing on any
16 petition, the Board shall make and issue an order specifying
17 the extent, if any, to which maximum prices on the commodity
18 involved shall be removed. The Board shall order the re-
19 moval of such maximum prices if and to the extent that in its
20 judgment the standards of decontrol stated in subsection (d)
21 or (e) have been satisfied with respect to the commodity
22 involved. The Administrator shall remove maximum prices
23 with respect to the commodity in question within such time and
24 to such extent as shall be specified in the order of the Board.

1 *Orders of the Board shall not be subject to modification or re-*
2 *view by any other department or agency or by any court.*

3 “(4) *No petition may be filed with the Board with respect*
4 *to any commodity within a period of three months after the*
5 *issuance of an order of the Board with respect to the same*
6 *commodity.*

7 “(5) *The members of the Board may serve as such with-*
8 *out regard to the provisions of sections 109 and 113 of the*
9 *Criminal Code (18 U. S. C., secs. 198 and 203) or section*
10 *19 (e) of the Contract Settlement Act of 1944, except insofar*
11 *as such sections may prohibit any such member from receiving*
12 *compensation in respect of any particular matter which is*
13 *within the jurisdiction of the Board.*

14 “(6) *If the number of petitions filed with the Board*
15 *should at any time become so great as to prevent the Board*
16 *from promptly conducting hearings upon such petitions, the*
17 *Board shall appoint such hearing commissioners as it deems*
18 *necessary in order to expedite the transaction of its business.*
19 *The Board may authorize one or more of the hearing com-*
20 *missioners so appointed to conduct the hearing upon any peti-*
21 *tion under this subsection and to exercise the authority of the*
22 *Board with respect to such hearing. After a hearing con-*
23 *ducted before a hearing commissioner, the commissioner shall*
24 *make recommendations consistent with this subsection to the*
25 *Board concerning its action with respect to the petition. If*

1 *the Board approves such recommendations, it shall issue an*
2 *order in conformity therewith. If the Board does not approve*
3 *such recommendations, the Board may issue such order as it*
4 *deems proper upon the record or may conduct a new hearing*
5 *upon the petition before the Board."*

6 *SEC. 4. Section 2 (a) of the Emergency Price Control*
7 *Act of 1942, as amended, is amended by adding at the end*
8 *thereof the following new sentence: "In administering the*
9 *provisions of this subsection relating to the establishment of*
10 *industry advisory committees, the Administrator, upon the*
11 *request of a substantial portion of the industry in any region,*
12 *shall promptly appoint a regional industry advisory com-*
13 *mittee for such region."*

14 *SEC. 5. Section 2 (b) of the Emergency Price Control*
15 *Act of 1942, as amended, is amended by adding at the end*
16 *thereof a new paragraph as follows:*

17 *"After the date upon which this paragraph takes effect,*
18 *the Administrator, when establishing rent ceilings on hotels*
19 *or when passing upon applications for adjustments of rent*
20 *ceilings on hotels, is authorized to take into consideration the*
21 *distinction between transient hotels and residential or apart-*
22 *ment hotels, including the difference in the investment, oper-*
23 *ation, expenses, and mechanical details of operation between*
24 *the transient hotels and the residential and apartment hotels,*
25 *and is directed to classify separately by regulation (1) tran-*

1 sient hotels, (2) residential and apartment hotels, and (3)
 2 tourists courts, rooming houses, and boarding houses.”

3 SEC. 6. (a) The last paragraph of section 2 (e) of the
 4 Emergency Price Control Act of 1942, as amended by the
 5 Stabilization Extension Act of 1944, shall not apply with re-
 6 spect to operations for the fiscal year ending June 30, 1947,
 7 of the Commodity Credit Corporation and the Reconstruction
 8 Finance Corporation: Provided, That with respect to such
 9 corporations and such operations, the making of subsidy pay-
 10 ments and buying for resale at a loss shall be limited as
 11 follows:

12 Payments and purchases may be made with respect to
 13 operations for the fiscal year ending June 30, 1947, which
 14 involve subsidies and anticipated losses as follows:

15 (1) With respect to rubber produced in Latin
 16 America and Africa for which commitments were made
 17 before January 1, 1946, \$31,000,000.

18 (2) With respect to copper, lead, and zinc, in the
 19 form of premium price payments, \$100,000,000: Pro-
 20 vided, That (A) premiums shall be paid on ores mined
 21 or removed from mine dumps or tailing piles before
 22 July 1, 1947, though shipped and/or processed and mar-
 23 keted subsequently thereto; and that (B) the premium
 24 price plan for copper, lead, and zinc shall be extended
 25 until June 30, 1947, on terms not less favorable to the

1 *producer than heretofore and (i) adjustments shall be*
2 *made to encourage exploration and development work,*
3 *(ii) adequate allowances shall be made for deprecia-*
4 *tion and depletion, and (iii) all classes of premiums shall*
5 *be noncancelable unless necessary in order to make in-*
6 *dividual adjustments of income to specific mines.*

7 *(3) With respect to purchases by the Reconstruction*
8 *Finance Corporation, of such tin ores and concentrates*
9 *as it deems necessary to insure continued operation of the*
10 *Texas City tin smelter.*

11 *(4) With respect to noncrop programs, 1946 crop*
12 *program operations and the 1947 crop program opera-*
13 *tions relating to sugar, flour, petroleum, petroleum prod-*
14 *ucts, and other domestic and imported materials and com-*
15 *modities, \$869,000,000: Provided, That the operations*
16 *authorized under this subparagraph (4) shall be pro-*
17 *gressively reduced, shall be terminated not later than*
18 *April 1, 1947, and shall not cost more than \$629,000,-*
19 *000 during the last six months of the calendar year 1946.*
20 *Operations shall not be carried out under authority of*
21 *this subparagraph (4) with respect to any commodity*
22 *for any period during which maximum prices on such*
23 *commodity are not in effect under the Emergency Price*
24 *Control Act of 1942, as amended or the Stabilization*
25 *Act of 1942, as amended: Provided, That subsidies with*

respect to petroleum produced from stripper wells shall be continued at not to exceed the existing rates. No new subsidy or purchase and sale operations shall be undertaken under the authority of this subparagraph (4), and no change shall be made in the basis of any existing operations for which funds are made available under this subparagraph which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

(b) When any direct or indirect subsidy to an industry is reduced or terminated, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies and differential subsidies to high-cost producers.

(c) Where roll-back subsidies have previously been or presently are in effect, and have been discontinued, or shall hereafter be discontinued, the industries which have received such subsidies shall be permitted to increase their ceiling prices at least an amount equivalent to the amount of the discontinued roll-back subsidy. Such price increase shall become effective either upon discontinuance of the roll-back subsidy or upon passage of this Act, whichever date is the later. For the purposes of this paragraph, the term "roll-back subsidies" means subsidy payments, or purchases and sales of a commodity at a loss by the Government of the United States (including any Government-owned or controlled cor-

1 poration), or contracts therefor, which resulted directly or
2 indirectly in the lowering of ceiling prices below the maximum
3 price levels established by the Office of Price Administration
4 prior to the institution of the subsidy payments or purchases
5 and sales at a loss, or the execution of the contracts therefor,
6 whichever date is the earlier.

7 (d) Nothing in this section shall be construed to affect the
8 provisions of Public Laws 30, 88, 164, and 328 of the
9 Seventy-ninth Congress, or to prevent the use of the sums
10 authorized in such laws to fulfill obligations incurred prior
11 to July 1, 1946, with respect to operations prior to such date.

12 (e) Notwithstanding any of the foregoing provisions of
13 this section 6, 1946 and 1947 crop program operations with
14 respect to sugar, may, while maximum prices are in effect
15 with respect to sugar, be continued until such crops are
16 processed and distributed, and the cost of 1946 crop program
17 operations with respect to sugar may be charged to the funds
18 authorized by Public Law 30, Seventy-ninth Congress, as
19 amended by Public Law 328, Seventy-ninth Congress. For
20 the purpose of this section 6, no subsidy program operation on
21 sugar shall be considered to be a new subsidy.

22 (f) Nothing in this section shall be construed as a
23 limitation upon operations authorized by the Veterans' Emer-
24 gency Housing Act of 1946 (Public Law 388, Seventy-ninth
25 Congress).

1 *SEC. 7. Section 2 (i) of the Emergency Price Control*
2 *Act of 1942, as amended, is amended to read as follows:*

3 *“(i) For the purposes of this Act and the Stabilization*
4 *Act of 1942, as amended, fish and other sea food shall be*
5 *deemed to be agricultural commodities, and commodities*
6 *processed or manufactured in whole or substantial part from*
7 *fish or other sea foods shall be deemed to be manufactured*
8 *in whole or substantial part from agricultural commodities:*
9 *Provided, That the provisions of section 3 of the Stabili-*
10 *zation Act of 1942, as amended, shall not be applicable*
11 *with respect to fish and other sea foods and commodities pro-*
12 *cessed or manufactured in whole or substantial part there-*
13 *from, but the maximum price established for any fish or*
14 *sea food commodity or for any commodity processed or*
15 *manufactured in whole or substantial part therefrom shall*
16 *not be below the average price therefor in the year 1942.”*

17 *SEC. 8. Section 2 (j) of the Emergency Price Control*
18 *Act of 1942, as amended, is amended by inserting before*
19 *the period at the end thereof a semicolon and the following:*
20 *“or (5) as authorizing any regulation or order of the Ad-*
21 *ministrator to fix a quantity or percentage of any product*
22 *which any seller may sell to any buyer”.*

23 *SEC. 9. Section 2 (k) of the Emergency Price Control*
24 *Act of 1942, as amended, is amended by inserting the*

1 words "or any operator of any service establishment" after
2 the words "seller of goods at retail".

3 *SEC. 10. Section 2 of the Emergency Price Control Act*
4 *of 1942, as amended, is amended by adding at the end*
5 *thereof the following new subsections:*

6 *"(o) No maximum price shall be applicable to any item*
7 *served in any restaurant or other eating establishment if such*
8 *item consists in whole or major part of a commodity to which*
9 *no maximum price is applicable with respect to sales to restau-*
10 *rants and other eating establishments, unless the maximum*
11 *price of such item, when sold by such restaurant or other*
12 *eating establishment, is determined, under the applicable maxi-*
13 *mum price regulation or order, by the addition of a customary*
14 *margin to the acquisition cost of such item.*

15 *"(p) After July 1, 1946, no maximum price regulation*
16 *or order shall be issued or continued in effect requiring any*
17 *seller to limit his sales by any weighted average price limita-*
18 *tion based on his previous sales.*

19 *"(q) In the case of any retail industry, the principal*
20 *sales of which consisted during the calendar years 1939 to*
21 *1941, inclusive, of sales of a commodity or commodities the*
22 *production or retail distribution of which has been reduced,*
23 *for a period of three years beginning on or after March 2,*
24 *1942, by 75 per centum or more below such production or*
25 *retail distribution for the calendar years 1939 to 1941, in-*

clusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established peacetime retail trade discounts or mark-ups or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of six months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

“(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit sales of such commodity for a period of six months shall have reached the average annual wholesale unit sales thereof for the calendar years 1939 to 1941, inclusive.

“(s) No maximum price regulation or order shall require the reduction of the established peacetime discounts or

1 mark-ups for the sale of any manufactured or processed
2 commodity (treating as a single commodity for the purposes
3 of this paragraph all commodities in a line of related com-
4 modities which, for the purpose of establishing manufacturers'
5 and processors' maximum prices, have been placed by the
6 Office of Price Administration under a single regulation)
7 if the retail, wholesale, or other distributive trade selling such
8 commodity shows that the commodity constituted approxi-
9 mately one-half or more of the gross sales income of a majority
10 of the persons engaged in such trade in 1945 and that, in the
11 first quarter of 1946, the deliveries of such commodity to such
12 distributive trade were less than 100 per centum of the de-
13 liveries thereof in the corresponding quarter of 1945.

14 “(t) In establishing maximum prices applicable to whole-
15 sale or retail distributors, the Administrator shall make due
16 allowance for the current cost of acquisition of any com-
17 modity, plus such percentage discount or markup as was in
18 effect on June 29, 1946.

19 “(u) After the date upon which this subsection takes
20 effect, no maximum price shall be established or maintained,
21 under this Act or under any other provision of law, with
22 respect to any new commodity when the Administrator upon
23 application finds that its use, in the production, manufactur-
24 ing, or processing of any commodity or commodities, without
25 increasing the cost to the ultimate user, either increases the

1 *life or reduces the cost of production, manufacture, or proc-*
2 *essing of the commodity or commodities produced, manufac-*
3 *tured or processed. As used in this subsection the term 'new*
4 *commodity' means a commodity which was not commercially*
5 *or industrially available prior to January 30, 1942."*

6 *SEC. 11. The Emergency Price Control Act of 1942, as*
7 *amended, is amended by inserting after section 5 thereof the*
8 *following new section:*

9 *"SEC. 6 (a) For the purposes of this section the base*
10 *period shall be the calendar year 1940, or in the case of an*
11 *industry customarily keeping its accounts on a fiscal year*
12 *basis, the industry's fiscal year 1940.*

13 *"(b) In order that adequate general price levels shall be*
14 *established for all commodities to bring about maximum pro-*
15 *duction and employment, no maximum prices shall be estab-*
16 *lished or maintained for any product of a producing, manu-*
17 *facturing, or processing industry which do not return on the*
18 *average to the industry not less than the average dollar price*
19 *of such product during the base period, plus the average in-*
20 *crease in cost of producing, manufacturing, or processing the*
21 *same accruing since the base period, but the maximum prices*
22 *for a product shall be deemed in compliance with this standard*
23 *if such prices on the average are equal to the average cur-*
24 *rent total cost of the product plus the industry's average over-*
25 *all profit margin on sales in the base period.*

1 “(c) For the purpose of determining costs under this
2 section, currently or for the base period, the Administrator
3 shall ascertain the costs of a reasonable number of typical
4 producers, manufacturers, or processors and shall follow
5 accepted methods of accounting and such fair and reasonable
6 methods of calculation as he shall establish by regulation,
7 including reasonable adjustments for conditions resulting
8 from abnormal volume of production.

9 “(d) Maximum prices established hereunder shall not
10 be held invalid on account of their failure to return his costs
11 to any particular member of any group involved.

12 “(e) Nothing herein shall nullify the power of the
13 Administrator to make reasonable adjustments and exceptions
14 in individual cases under the provisions of section 2 (c) of
15 this Act.

16 “(f) If the maximum prices of a product on the average
17 equal its average current total costs, nothing herein shall re-
18 quire the adjustment of such maximum prices for such period,
19 if any, as it appears that a substantial expansion in the pro-
20 duction or use of the product would not be practicable or would
21 be practicable only by reducing the production of at least
22 equally needed products.

23 “(g) As used in this section, ‘product’ shall mean any
24 major item, or any article different in character from other
25 products of the industry; but all the styles, models, or other

1 varieties of any such item or article shall be considered as one
2 product.

3 “(h) The provisions of this section shall not apply with
4 respect to any maximum price applicable to manufacturers
5 or processors in the case of products made in whole or major
6 part from cotton or cotton yarn or wool or wool yarn.

7 “(i) Nothing in this section shall be construed to require
8 any adjustment in maximum prices except pursuant to an
9 application filed under this paragraph, or be construed to
10 invalidate any maximum price unless there is a failure to
11 make adjustments, in accordance with the procedure pre-
12 scribed in this paragraph, to such extent as may be required
13 to comply with the standards set forth in this section. Any
14 industry advisory committee may apply to the Administrator
15 for the adjustment of the maximum prices applicable to any
16 product in accordance with the standards set forth in this
17 section, and shall present with the application comprehensive
18 evidence with respect to costs and prices. The Administrator
19 shall consider the evidence so presented and all evidence other-
20 wise available to him and, within 60 days after the receipt of
21 such application, he shall make the adjustments in maximum
22 prices required by this section, or, if he finds that no such
23 adjustments are required, he shall deny the application. If
24 the Administrator fails to make the adjustments in the maxi-
25 mum prices for any product required by this section or to

1 deny the application within the 60-day period prescribed in
2 this paragraph, the industry advisory committee concerned
3 may petition the Emergency Court of Appeals, created pur-
4 suant to section 204, for relief; and such court shall have
5 jurisdiction by appropriate order to require the Administrator
6 to make such adjustments or deny such application within
7 such time, not to exceed 30 days, as may be fixed by the court.
8 If the Administrator fails to make such adjustments or deny
9 such application within the time so fixed, no maximum price
10 shall thereafter be applicable with respect to any sale of such
11 product by any seller.”

12 SEC. 12. (a) The second sentence of section 205 (e)
13 of the Emergency Price Control Act of 1942, as amended,
14 is amended to read as follows: “In any action under this
15 subsection, the seller shall be liable for reasonable attorney’s
16 fees and costs as determined by the court, plus whichever of
17 the following sums is greater: (1) Such amount not more
18 than three times the amount of the overcharge, or the over-
19 charges, upon which the action is based as the court in its
20 discretion may determine, or (2) an amount not less than
21 \$25 nor more than \$50, as the court in its discretion may
22 determine: Provided, however, That such amount shall be the
23 amount of the overcharge or overcharges if the defendant
24 proves that the violation of the regulation, order, or price
25 schedule in question was neither willful nor the result of

1 *failure to take practicable precautions against the occurrence*
2 *of the violation."*

3 *(b) Section 205 (c) of the Emergency Price Control*
4 *Act of 1942, as amended, is amended by adding at the end*
5 *thereof the following new paragraphs:*

6 *"The Administrator may not institute any action under*
7 *this subsection on behalf of the United States, or, if such*
8 *action has been instituted, the Administrator shall withdraw*
9 *the same—*

10 *"(1) if the violation arose because the person selling*
11 *the commodity acted upon and in accordance with the*
12 *written advice and instructions of the Administrator or*
13 *any regional administrator or district director of the*
14 *Office of Price Administration; or*

15 *"(2) if the violation arose out of the sale of a com-*
16 *modity to any agency of the Government, or to any public*
17 *housing authority whose operations are supervised or*
18 *financed in whole or in part by any agency of the Gov-*
19 *ernment, and such sale was made pursuant to the lowest*
20 *bid made in response to an invitation for competitive bids.*

21 *"The Administrator shall not institute or maintain any*
22 *enforcement action under this subsection against any manu-*
23 *facturer of apparel items where the Administrator shall*
24 *determine (1) that the transactions on which such proceeding*
25 *is based consisted of the manufacturer's selling such an item*

1 at his published March 1942 price list prices instead of his
2 March 1942 delivered prices, and (2) that the seller's
3 customary pricing patterns for related apparel items would
4 be distorted by a requirement that his ceilings be the March
5 1942 delivered prices. The Administrator's determinations
6 under this paragraph shall be subject to review by the Emer-
7 gency Court of Appeals in accordance with sections 203 and
8 204."

9 SEC. 13. The third sentence of paragraph (2) of section
10 205 (f) of the Emergency Price Control Act of 1942, as
11 amended, is amended to read as follows: "If any such court
12 finds that such person has violated any of the provisions of
13 such license, regulation, order, price schedule, or requirement
14 after the receipt of the warning notice, such court shall issue
15 an order suspending the license to the extent that it authorizes
16 such person to sell the commodity or commodities in connection
17 with which the violation has occurred, or to the extent that it
18 authorizes such person to sell any commodity or commodities
19 with respect to which a regulation or order issued under sec-
20 tion 2, or a price schedule effective in accordance with the
21 provisions of section 206, is applicable; but no suspension
22 shall be for a period of more than twelve months, and if the
23 defendant proves that the violation in question was neither
24 willful nor the result of failure to take practicable precautions

1 against the occurrence of the violation, then in that event no
2 suspension shall be ordered or directed.”

3 SEC. 14. Section 3 of the Stabilization Act of 1942, as
4 amended, is amended by adding at the end thereof the follow-
5 ing new paragraph:

6 “On and after the date of the enactment of this para-
7 graph, it shall be unlawful to establish, or maintain, any
8 maximum price applicable to manufacturers or processors,
9 for any major item in the case of products made in whole
10 or major part from cotton or cotton yarn or wool or wool
11 yarn, unless the maximum price for such major item is fixed
12 and maintained at not less than the sum of the following:

13 “(1) The cotton or wool cost (which must be com-
14 puted at not less than the parity price or the current cost,
15 whichever is greater, of the grade and staple of cotton
16 or wool used in such item, delivered at the mill);

17 “(2) A weighted average of mill conversion costs;
18 and

19 “(3) A reasonable profit (which shall not be less
20 than a weighted average profit for each unit of such item
21 equal to the weighted average of the profit earned on an
22 equivalent unit of such item during the period 1939 to
23 1941, both inclusive).”

24 SEC. 15. The Secretary of Agriculture, through the Com-
25 modity Credit Corporation or otherwise, is hereby authorized

1 to allocate feed which he controls to feeders of livestock and
2 poultry in domestic areas which he may determine to be in an
3 emergency shortage condition with respect to animal and
4 poultry feed.

5 SEC. 16. (a) In the event producers of wheat are
6 required by an order issued pursuant to the Second War
7 Powers Act, 1942, as amended, to sell all or any part of
8 wheat delivered to an elevator prior to April 1, 1947, the
9 Commodity Credit Corporation shall offer to purchase the
10 wheat so required to be sold at a price determined as follows:
11 The purchase price paid for the wheat shall be the market
12 price at the point of delivery as of any date the producer may
13 elect between the date of delivery and March 31, 1947, inclu-
14 sive: Provided, however, That only one election may be
15 made for each lot of wheat: And provided further, That the
16 producer may not elect a date prior to the date on which he
17 mails a written notice to Commodity Credit Corporation of
18 his election. In the event the producer does not notify Com-
19 modity Credit Corporation in writing by March 31, 1947,
20 of his election of a date for determining the market price,
21 such date shall be deemed to be March 31, 1947.

22 (b) Any producer of wheat who, prior to the date of
23 enactment of this Act, has sold any wheat pursuant to the
24 requirements of paragraph (ee) (1) of War Food Order
25 Numbered 144, may, at any time within thirty days after

1 the date of enactment of this Act, pay to the Commodity
2 Credit Corporation a sum equal to the amount for which he
3 sold such wheat. Any producer paying any such sum to the
4 Commodity Credit Corporation shall be deemed to have sold
5 and delivered to the Commodity Credit Corporation as of the
6 date he pays such sum a quantity of wheat equal in grade
7 and quality to the quantity sold by him pursuant to such
8 requirements and the purchase price to be paid to him for
9 such wheat shall be determined in the same manner as in the
10 case of a sale of wheat to the Commodity Credit Corporation
11 pursuant to the provisions of subsection (a) of this section.

12 SEC. 17. This Act may be cited as the "Price Control
13 Extension Act of 1946."

14 SEC. 18. (1) The provisions of this Act shall take effect
15 as of June 30, 1946, and (2) all regulations, orders, price
16 schedules, and requirements under the Emergency Price
17 Control Act of 1942, as amended, and the Stabilization Act
18 of 1942, as amended, which were in effect on June 30, 1946,
19 shall be in effect in the same manner and to the same extent as
20 if this Act had been enacted on June 30, 1946, and (3) any
21 proceeding, petition, application, or protest which was pending
22 under the Emergency Price Control Act of 1942, as amended,
23 or the Stabilization Act of 1942, as amended, on June 30,
24 1946, shall be proceeded with and shall be effective in the same
25 manner and to the same extent as if this Act had been enacted

1 on June 30, 1946: *Provided, That in any case in which the*
2 *Emergency Price Control Act of 1942 (except sections 204*
3 *and 205), as amended, or the Stabilization Act of 1942*
4 *(except sections 8 and 9), as amended, or any regulation,*
5 *order, or requirement under either of such Acts, prescribes*
6 *any period of time within which any act is required or per-*
7 *mitted to be done, and such period had commenced but had*
8 *not expired on June 30, 1946, such period is hereby extended*
9 *for a number of days equal to the number of days from July*
10 *1, 1946 to the date of enactment of this Act, both inclusive:*
11 *Provided further, That no act or transaction occurring sub-*
12 *sequent to June 30, 1946, and prior to the date of enactment*
13 *of this Act shall be deemed to be a violation of the Emergency*
14 *Price Control Act of 1942, as amended, or the Stabilization*
15 *Act of 1942, as amended, or of any regulation, order, price*
16 *schedule, or requirement under either of such Acts: Provided*
17 *further, That insofar as the provisions of this Act require any*
18 *change in any maximum price, such provisions shall not be*
19 *deemed to require such change to be made before the thirtieth*
20 *day following the date of enactment of this Act.*

79TH CONGRESS
2d Session

H. J. RES. 371

JOINT RESOLUTION

Extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 2, 1946

Read first time by title

JULY 3, 1946

Read twice and referred to the Committee on Banking and Currency

JULY 4, 1946

Reported under authority of the order of the Senate of July 3, 1946 by Mr. BARKLEY with an amendment

stockpiling strategic and critical materials (pp. 8418-20).

16. LABOR. Received the President's message stating that he has approved H. R. 32, the Hobbs anti-racketeering bill, after receiving an opinion from the Attorney General regarding its effect (p. 8417).
17. HOUSING. Rep. Healy, Calif., spoke in favor of S. 1592, the Wagner-Ellender-Taft bill (p. 8378).
18. FLOOD CONTROL. Received from the War Department flood-control survey reports on Clinton and Skagway Rivers (H. Docs. 694, 695). To Flood Control Committee. (p. 8423.)
19. ADJOURNED until Fri., July 5 (p. 8423). Legislative program this week, as announced by the majority leader: Mon., Tues., Thurs., Fri., Sat., British loan; Wed., Calendar Wed.; after British loan, atomic energy (p. 8418).

BILLS INTRODUCED - July 3

20. PAYMENTS IN LIEU OF TAXES. S. 2410, by Sen. Bushfield, S. Dak., to provide for a uniform method of payments to the States on account of U. S. lands. To Public Lands and Surveys Committee. (p. 8320.)
21. BUILDINGS AND GROUNDS. S. 2412, by Sen. Andrews, Fla., to provide for site acquisition and design of Federal buildings. To Public Buildings and Grounds Committee. (p. 8320.)
22. PRICE CONTROL. H. J. Res. 376, by Rep. Kunkel, Pa., "providing for price control." To Banking and Currency Committee. (p. 8424.)
23. SUGAR SUPPLY. H. Res. 695, by Rep. Price, Fla., providing for appointment of a select committee to investigate the sugar supply. To Rules Committee. (p. 8424.)

ITEMS IN APPENDIX - July 3

24. PRICE CONTROL. Various speeches, insertions, etc. (pp. A4092-3, 4104-5, 4106, 4108, 4109, 4110-11).
25. DAIRY INDUSTRY. Extension of remarks of Rep. Doyle, Calif., on Calif. observation of dairy month (pp. A4089-92).
26. HOUSING. Various statements, insertions, etc., on the housing program (pp. A4108-9, 4113, 4120, 4120-1, 4124, 4127).
27. FOOD-CLOTHING SHORTAGE. Rep. Rogers, Mass., inserted a letter from J.F. Hodge stating that New England has been discriminated against in the distribution of food and clothing (p. A4111).
28. FERTILIZER. Rep. Cooley, N. C., inserted a National Grange statement opposing the provision in the Government corporations appropriation bill for a TVA fertilizer plant (p. A4123).
29. FARMERS' AVIATION. Rep. Hagen, Minn., inserted a Plane Talk Magazine article, "How Planes Serve the Farmer" (pp. A4125-6).
30. CONGRESSIONAL REORGANIZATION. Rep. Lane, Mass., inserted a National Policies Committee statement favoring congressional reorganization (pp. A4126-7).

31. PRICE CONTROL. The Banking and Currency Committee reported with amendment H. J. Res. 371, to continue the Price Control and Stabilization Acts (pp. 8459-63). Except for modification of the Taft and Wherry amendments, this measure, as reported by the Committee, is the same as the bill which was vetoed.

SENATE - July 5

32. PRICE CONTROL. Began debate on H.J.Res. 371, to extend the Price Control and Stabilization Acts (pp. 8430-1, 8445-63).

Sen. Wherry, Nebr., submitted an amendment which he intends to propose to H.J.Res. 371, which would exclude livestock, poultry, and eggs or their products from price control (pp. 8445-6) and an amendment providing for a prewar mark-up on any commodity calculated on the average percentage mark-up of distributors and retailers for such commodity for the period between Oct. 1 and 15, 1945 (pp. 8446-7).

Sens. Taft (Ohio) and McCarran (Nev.) submitted amendments which they intend to propose to H.J.Res. 371 (p. 8428).

Sen. Wagner, N.Y., inserted Elmo Roper's N.Y. Herald Tribune article stating that a poll taken indicates a majority of the public in favor of OPA continuation (pp. 8428-9).

Sen. Capper, Kans., inserted an Atchison (Kans.) Globe editorial questioning whether or not prices would remain stable without price control (p. 8429).

Sen. Robertson, Wyo., inserted a Washington Post editorial, "What Price Meat" (p. 8429).

Received sundry citizens' petitions favoring and opposing OPA continuation (p. 8426).

33. FLOOD CONTROL. Passed with amendments H.R. 6597, the omnibus flood-control bill (pp. 8448-53). As passed the bill differs in the following respects from the form in which it passed the House: The amount authorized for improvements by the War Department is increased by \$22,000,000; authorization for several specific projects is added; an irrigation storage reservoir on the North Canadian River project is authorized; and a report by the U.S. Army Engineers is required before Congress can authorize or hold hearings on any flood control project. Sens. Brooks, Hart, Brewster, and Cordon were appointed conferees (p. 8453). House conferees not yet appointed.

34. RIVERS AND HARBORS. Passed with amendments H.R. 6407, the omnibus rivers and harbors bill (pp. 8431-45, 8447-8). Senate conferees were appointed (p. 8448). House conferees not yet appointed.

35. VOCATIONAL EDUCATION. Passed as reported S. 619, to provide for the further development of vocational education in the U.S. and its territories (pp. 8453-5). This bill provides additional Federal grants-in-aid in order to extend the present vocational education program in agriculture, home economics, trade and industry, distributive occupations, and vocational guidance; and continues the present method of administering vocational education by States and local communities as provided in the original George-Deen Act. The committee decreased the total authorizations from \$97,500,000 to \$16,150,000 by eliminating the items for public service training; training for office occupations; area vocational schools; and State supervision of industrial arts education.

36. TRADE MARKS. Passed as reported H.R. 3424, to permit renewal of certain trademark registrations at their expiration (pp. 8455-6).

37. EXPENDITURES. Sen. Taft, Ohio, inserted estimates of Federal expenditures for

please not to raise again this controversial issue at this late hour without any opportunity for any Senate investigation.

Mr. JOHNSON of Colorado. Mr. President, in the opinion of the Senator does not the language appearing at this point in the bill, and the proviso which the Senator says was worked out so carefully, in reality protect the upper basin against calls for water for these multiple-purpose projects? Evidently that proviso was placed in the bill for a purpose, and the purpose of the bill was to clarify the demand or the call for water from the upper basin States by the States in the lower basin. That evidently was the purpose of putting it in the bill. The only point on which clarification is needed is to make certain that the proviso applies to all features of these multiple-purpose projects. I believe it does apply to them. If the Senator from Louisiana would say that that is his opinion, it would end the matter so far as I am concerned. But it is a matter of tremendous importance to us, and we do want to have it thoroughly clarified.

Mr. OVERTON. Mr. President, I could not give an offhand opinion with reference to this provision. It speaks for itself and it can be interpreted when the time comes for interpretation. I read the language of the law:

The use for navigation—

I read that again, Mr. President—

The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the ninety-eighth meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the ninety-eighth meridian.

That is the language of the law. The Senator from Colorado places his own interpretation upon it. What I am asking is that he not bring up this very controversial question and try to enlarge the scope of that provision by any amendment at this time.

Mr. JOHNSON of Colorado. Mr. President, since the Senator from Louisiana does not feel justified in clarifying the meaning of this language, I shall ask permission to insert an amendment, and I want a little time to prepare it. I wonder if the bill can go over a little longer until we can work it out? I am sorry to have to delay the bill at this late hour, but this is a matter of great importance to my State and to other States in similar situations, and we simply cannot pass it over, even if the hour is late.

Mr. OVERTON. Mr. President, if the bill goes over I must state that it probably will mean the death of the bill in this Congress, and that it will have to be taken up in another Congress. I was hopeful we could get through with this river and harbor bill by 3 o'clock this afternoon and dispose of the flood-control bill in probably about an hour thereafter. I regret that the Senator, after the bill has been pending for weeks, should come and ask for a delay of its consideration by the Senate in order that he might prepare an amendment. I do not think it is fair to the countless millions throughout the United States who

are interested in the projects contained in the bill. It would probably mean the death of the bill.

Mr. MILLIKIN. Mr. President, will my colleague yield?

Mr. JOHNSON of Colorado. I yield.

Mr. MILLIKIN. I believe it should be pointed out that when we were dealing with the so-called O'Mahoney-Millikin amendment a couple of years ago we then had in mind dams and reservoirs on the Missouri. Those dams were also multiple-purpose dams, including the storage of water for irrigation, and therefore, because they had a definite irrigation feature, we were protected against the point which we are now making.

The distinguished senior Senator from Colorado points out that it could be as damaging to the upper States to have to let water down during the irrigation season to maintain a power level in downstream States as it would be to have to let water down during the irrigation season to maintain a navigation level. The matter might become vital to us.

In my opinion, offhand, I believe that whatever power stage might be desirable to be maintained in these lower stream projects could be maintained out of local run-off; that it probably would not be necessary to ask for any water from the upper basins. But if that were not the case, if we had to let water down when we need it it would be a deadly blow to regions in the States in the upper basin which live only by irrigation water and which must have it without fail unless they are to be turned into deserts.

I believe that the distinguished senior Senator from Colorado and I and perhaps other Senators from the arid and semiarid States would be derelict if we allowed this to pass in cavalier fashion. I doubt if any harm would come to the lower basin of this particular stream if it were agreed that by interpretation we are not required to let water down for power purposes. If that cannot be agreed, we have no alternative but to submit an amendment, for it involves the life of great areas in our State.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. OVERTON. Let me point out to the Senator from Colorado that what we are discussing deals with navigation, and therefore it would apply to the provision of the bill with reference to the Arkansas River and tributaries. There are only two items of the bill that relate to the Arkansas River; one is the Eufaula Reservoir, which is a multiple-purpose reservoir, and which is east of the ninety-eighth meridian, not west of the ninety-eighth meridian, and which project is planned to flood control, power, and to improve the lower Arkansas River for navigation purposes. So I see no necessity for offering any amendment to this bill at all to protect the West.

Mr. JOHNSON of Colorado. The Senator says that because the reservoir happens to be east of the ninety-eighth meridian, that therefore we ought not to be concerned with it?

Mr. OVERTON. I did not say that. I was merely giving the location of the reservoir. They are both east of the

ninety-eighth meridian, but they are both concerned with navigation.

Mr. JOHNSON. They are both concerned with navigation, but what we want to be certain of is that this authorization for the building of power plants does not place a legal call upon the basins west of the ninety-eighth meridian for their water. That is the whole object.

Mr. OVERTON. I understand the argument. The Senator wants to broaden it, and maintain a strangle hold on the people in the lower valley.

Mr. JOHNSON of Colorado. It is nothing of the kind.

Mr. OVERTON. I cannot escape that conclusion. Otherwise the Senator would not insist on it.

Mr. JOHNSON of Colorado. If the Senator did not wish to take away our water he would not insist on not putting it in. I do not believe there is any purpose in taking our water, but we ought to have the question cleared up, and this is the time to clear it up, when the bill is pending.

Mr. OVERTON. Let the amendment be offered, and we can vote on it.

Mr. JOHNSON of Colorado. The amendment will be offered.

EXTENSION OF PRICE CONTROL— AMENDMENTS

Mr. WHERRY. Mr. President, I send to the desk an amendment intended to be proposed to House Joint Resolution 371. On page 9, between lines 14 and 15, it is proposed to insert the following:

(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

The effect of the proposed amendment is the same as would have been the effect of the amendment appearing on page 20, paragraph (3), section A of the bill as originally passed by the Senate, which amendment was deleted by the conferees.

Under the amendment formerly adopted by the Senate, the provision was made that all controls with respect to livestock, poultry, and eggs, and food and feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs, should be removed not later than June 30, 1946.

The effect of the failure to enact a bill prior to June 30, 1946, terminated all controls.

This amendment now proposed merely provides that in any bill that might now be enacted, livestock, poultry, and eggs, and food and feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs shall be specifically excluded from any and all controls.

I should like to say that several Senators have expressed a desire to be co-authors of this amendment. We do not wish to foreclose any Senator. I am submitting the amendment on behalf of the Senator from Nevada [Mr. CARVILLE], who has made a terrific fight to have meat and livestock decontrols made a part of the price stabilization act, and also the Senator from Minnesota [Mr. BALL], the Senator from New Hampshire

[Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CAPPER], the Senator from Oklahoma [Mr. MOORE], the Senator from Iowa [Mr. WILSON], the Senator from Indiana [Mr. WILLIS], the Senator from Missouri [Mr. DONNELL], and myself. The amendment will be sent to the desk, and if other Senators would like to be coauthors we would like to have their names added to the amendment when it is printed.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. GURNEY. I shall be very happy to have the Senator add my name.

Mr. WHERRY. I will add it now; and if any other Senator wishes to add his name, he will have an opportunity to do so, because I am sending the amendment to the desk. Before it is printed I ask that Senators be given an opportunity to add their names to it. I also ask unanimous consent that the amendment be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. ROBERTSON. Is my name on the amendment?

Mr. WHERRY. I am not sure; but I shall be very glad to have Senators go to the desk and place their names on it.

Mr. BARKLEY. Mr. President, in the interest of orderly procedure I do not believe that the United States Senate ought to be converted into a Billy Sunday sawdust trail, in order that an amendment may be sent to the desk with an invitation for mourners to come to the mourner's bench and sign on the dotted line. In the first place, I have always doubted the propriety of multiplicity of authorship on bills or amendments. Assuming that the amendment will be voted upon, and that there will be a yeand-nay vote, every Senator, whether he be for it or against it, will have an opportunity to go on record with respect to his attitude on the amendment. I most respectfully suggest that it is not in the interest of orderly procedure or propriety to submit an amendment and let it lie on the table, with an invitation to Senators to sign the amendment so that they may go on record as coauthors. It is just as effective as an amendment if only 1 Senator offers it as it is if 40 Senators offer it. If the Senator wishes to submit the amendment, it ought to be submitted, and it ought to lie on the table and be printed, to await action when the joint resolution is considered.

Mr. WHERRY. I respectfully say to the distinguished majority leader that it was not my intention to have an outburst of enthusiasm on the part of Senators to get their names on this amendment, merely to put on an exhibition like converts walking up the sawdust trail to shake the hand of Billy Sunday. But I should like to remind the distinguished

majority leader that he has brought forward a committee print of House Joint Resolution 371, and it is my understanding from the majority leader that immediately following the disposition of the pending bill it will be made the unfinished business. I should like to give Senators who believe in the decontrol of meat an opportunity to be coauthors and introducers of the amendment. I was simply trying to facilitate matters and comply with the request of the majority leader so that we could proceed, without interference with his wishes, with the consideration of House Joint Resolution 371. I should like to give Senators who are interested an opportunity to sign the amendment.

Mr. BARKLEY. I feel that the dignified way to submit an amendment is for any Senator who wishes to submit an amendment to submit it and let it be printed and lie on the table. It seems to me that it is not good legislative practice to make an electioneering tour of the Senate to see how many Senators are willing to be coauthors of an amendment.

Mr. WHERRY. The majority leader does not mean that I am electioneering. I am simply giving Senators an opportunity to add their names to the amendment. I will give the distinguished majority leader the opportunity if he would like to add his name.

Mr. BARKLEY. I thank the Senator for giving me that opportunity, but I will not hit the sawdust trail.

Mr. WHERRY. Not at this time.

Mr. President, I also send to the desk another amendment which I shall read. On page 9, between lines 14 and 15, it is proposed to insert the following:

(8) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to milk, or food or feed products processed or manufactured in whole or substantial part from milk.

The effect of the proposed amendment is the same as would have been the effect of the amendment appearing on page 20, paragraph (3), section B of the bill as originally passed by the Senate, which amendment was deleted by the conferees.

Under the amendment formerly adopted by the Senate, the provision was made that price controls with respect to milk, and food and feed products processed or manufactured in whole or substantial part from milk, should be removed not later than June 30, 1946.

The effect of the failure to enact a bill prior to June 30, 1946, terminated all controls.

The amendment now proposed merely provides that in any bill that might now be enacted, milk, and food and feed products processed or manufactured in whole or substantial part from milk, shall be specifically excluded from any and all controls.

There are several co-authors in connection with this amendment. If it irks the majority leader to have Senators walk to the desk and sign their names in favor of amendments which might facilitate the final passage of the joint resolution, I will ask Senators to call me on the telephone and I will add their names in a very dignified way,

The PRESIDENT pro tempore. The amendment will lie on the table and be printed.

Mr. BARKLEY. Mr. President, I wish to inquire of the Senator if he is submitting the amendment for the information of the Senate.

Mr. WHERRY. I stated in the beginning that I was submitting the several amendments to lie on the table and to be printed. That applies to both amendments.

Mr. BARKLEY. The customary way is to submit amendments to lie on the table and to be printed. I have no objection to that procedure.

Mr. WHERRY. Mr. President, I have another amendment. There are a great many names on it.

Mr. BARKLEY. I do not care how many names there are on it. I hope that a majority of the Senate is not represented in the names attached to the amendment.

Mr. WHERRY. Mr. President, I send to the desk what I call a combination amendment—

Mr. BARKLEY. A combination amendment? I suppose that is a combination of all the others.

Mr. WHERRY. For the enlightenment of the distinguished majority leader, this is an amendment which does in one amendment what I attempted to cover in two amendments. I ask that it be printed and lie on the table. Later we shall decide in what form to present it.

The PRESIDENT pro tempore. The amendment will lie on the table and be printed.

Mr. WHERRY. Mr. President, I have another amendment to House Joint Resolution 371 which I should like to submit. I shall read it. The majority leader has heard this one before. On page 24, beginning with line 14, it is proposed to strike out all down to and including line 18, and insert in lieu thereof the following:

(t) No maximum price shall be established or maintained for any commodity below a price which will return to distributors, wholesalers, or retailers of such commodity their prewar trade discount or the sum of total current cost of acquisition plus the prewar mark-up. The prewar mark-up shall be the average percentage mark-up of such distributors or wholesalers or retailers for such commodity for the period between October 1 and October 15, 1941.

I ask that this amendment be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will lie on the table and be printed.

Mr. BARKLEY. Mr. President, while we are on this subject, in order that the Senate may know what the program is, I ask unanimous consent that when the river and harbor bill is disposed of, House Joint Resolution 371 be made the unfinished business, with the understanding that it will not be taken up until Monday.

The PRESIDENT pro tempore. May the Chair ask the majority leader a question?

Mr. BARKLEY. Certainly.

The PRESIDENT pro tempore. Does that mean that the flood control bill will not be taken up after the river and harbor bill is disposed of?

Mr. BARKLEY. I was about to add the further understanding that if House Joint Resolution 371 is made the unfinished business it may be temporarily laid aside for the consideration of the flood control bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Nebraska.

Mr. WHERRY. I should like to point out to the majority leader that Senate bill 1767, introduced on March 13, 1944, had a joint authorship of practically every Member of the Senate.

Mr. BARKLEY. That does not change the situation.

Mr. WHERRY. It is a common procedure.

Mr. BARKLEY. I have always thought that it was an improper procedure. I think so as much as I ever did, even though every Senator were to place his name on the list.

Mr. WHERRY. The name of the Senator from Kentucky is on this list.

Mr. BARKLEY. It may be. I do not care whether it is or not.

Mr. WHERRY. The Senator does not care?

Mr. BARKLEY. I mean that it does not make any difference. If I was a fool 2 years ago or 4 years ago, that is no reason why I should be a fool now.

Mr. WHERRY. It was a very good piece of legislation. My name was on it, too; and it was passed.

Mr. BARKLEY. Of course, that is prima facie evidence that it is good—

Mr. WHERRY. That is correct.

Mr. BARKLEY. But it is subject to rebuttal.

OMNIBUS RIVERS AND HARBORS BILL

Mr. BROOKS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 18, after line 24, it is proposed to insert:

Ohio River at Brookport, Ill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is still before the Senate and open to amendment.

Mr. JOHNSON of Colorado. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, in line 13, after the colon, it is proposed to insert "And provided further, That the word 'navigation' appearing in paragraph (b) of section 1 of the River and Harbor Act approved March 2, 1945 (Public, No. 14, 79th Cong., 1st sess.)

shall include the use of water referred to for power purposes."

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. OVERTON. The able Senator from Colorado has offered an amendment relating to the Arkansas River project. That is all the Senators from Colorado are concerned with. If they will modify the amendment so as to make it applicable only to the Arkansas River project, I shall be glad to accept the amendment.

Mr. JOHNSON of Colorado. We shall be glad to do that.

Mr. OVERTON. Of course, I mean if the amendment as modified is acceptable to the Senator from Arkansas.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MAGNUSON. Has the amendment been agreed to or has it been modified as suggested?

Mr. OVERTON. No; it has not as yet been modified. It should be modified before it is acted upon.

Mr. JOHNSON of Colorado. Mr. President, I wish to modify and clarify the amendment which I have sent to the desk, so as to make it apply only to the Arkansas River, instead of generally. I now modify the amendment and ask that the modified amendment be stated.

The PRESIDING OFFICER. The amendment as modified will be stated.

The CHIEF CLERK. On page 2, in line 13, after the colon, it is proposed to add:

And provided further, That the word "navigation" appearing in paragraph (d) of section 1 of the River and Harbor Act approved March 2, 1945 (Public, No. 14, 79th Cong., 1st sess.), shall in respect to the Arkansas River and tributaries include the use of water therein referred to for power purposes.

Mr. THOMAS of Oklahoma. Mr. President, the Arkansas River rises somewhere in the Northwest, presumably in Colorado, and it flows down through Kansas and finally reaches Oklahoma, and continues on, through Arkansas, into the Mississippi River. If Colorado will keep her water in Colorado, Oklahoma will have no complaint, because when the floods come we have plenty of water in my State. So I do not think it will hurt my State a particle to let Colorado keep all the water she can impound.

Mr. McCLELLAN. Mr. President, the senior Senator from Oklahoma has just expressed my view regarding the amendment. I have always felt that the Western States—Colorado and the others—that need water for irrigation have first claim on it. I have never desired to siphon off water which they need and could well utilize for irrigation purposes. I do not see that my State will be vitally affected. I do not think it will do us one bit of harm on earth to have Colorado keep all the water which falls within her boundaries, because plenty of water falls below Colorado—sufficient to provide for navigation and power and all the other purposes for which water is needed. In fact, the truth of the matter is that we have more water than we can accommodate without suffering a great deal of damage. My State is primarily inter-

ested in obtaining flood control and navigation on the Arkansas River. Of course, we like to have power, where it can be produced along in conjunction with the other projects, and where the other purposes are served.

But I have no objection to the amendment. I think the Senator is perfectly correct in protecting his State, and I do not believe it will inconvenience or injure Arkansas in the least if the water is retained in the Senator's State.

Mr. JOHNSON of Colorado. I thank the Senator from Arkansas for his broad-minded view of this whole matter. I am sure he is correct. We appreciate his attitude, and it has always been his attitude. We are grateful to him for assisting us in working out this provision.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. OVERTON. As I understand, the Senator from Colorado has modified his amendment by inserting in it, after the word "shall" and before the word "include", the words "in respect to the Arkansas River and tributaries," so that that part of the amendment will read: "shall in respect to the Arkansas River and tributaries include the use of water therein referred to for power purposes."

Mr. JOHNSON of Colorado. Yes; I think that will serve the purpose.

Mr. OVERTON. Very well; I accept the amendment as modified.

The PRESIDENT pro tempore. The question is on agreeing to the modified amendment offered by the Senator from Colorado.

The modified amendment was agreed to.

Mr. JOHNSON of Colorado. Mr. President, in preparing this amendment, the junior Senator from Colorado [Mr. MILLIKIN] did the spade work, as he did on the original section 1 which has been included in this bill. I wish it understood that the junior Senator from my State joins me in offering the amendment.

Mr. OVERTON. Mr. President, allow me to observe that I hope the junior Senator from Colorado does not do too much spade work in the future. [Laughter.]

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. HAWKES. Mr. President, I offer the following amendment: At the proper place in the bill insert—

The dam on the Colorado River presently known as Boulder Dam shall in the future be known as Hoover Dam and so recorded in the public record.

Mr. President, in this connection I may say that I believe it will be a fine showing of respect and honor for a man who not only has served this Nation in the capacity of President of the United States, but who has willingly served it ever since he left that office, and who at an advanced age, when men have a right to retire and take life a little easy, has seen fit to fly all over the world in the interest of finding a way to get food to starving humanity throughout the world, and thereby has served our Nation in the interest of decent humanitarianism.

I should like to say that I have discussed this matter with the distinguished

senior Senator from Louisiana [Mr. OVERTON], who is in charge of the bill, and he has agreed to accept the amendment. He is present and can speak for himself; but he has told me that he is perfectly willing to have this amendment inserted at the proper place in the bill.

Mr. DOWNEY. Mr. President, I think it is most unfortunate to attempt at this moment to interfere with the nomenclature of the great West. The question that has been raised by the distinguished Senator from New Jersey has been widely discussed in California and elsewhere. Literally millions of people have deep feeling about it. The late distinguished Senator Johnson of California had very marked and partisan feelings on this matter. I hope the Senator from New Jersey will not at this late hour in the afternoon attempt to settle this very controversial question; because, if so, there will be no chance to pass this bill this afternoon. I trust that the Senator from New Jersey will not persist in presenting the amendment at this time.

Every western Senator has extraordinary feelings in regard to this matter. They will need to be heard on it. It should have careful consideration. We could go into a historical discussion at considerable length. To determine whether this particular decision should be made would require long consideration.

So I hope the amendment will not be urged at this time.

Mr. CARVILLE. Mr. President, I should like to associate myself with the position taken by the Senator from California relative to changing the name of Boulder Dam. Inasmuch as the matter has come up at this late hour, and no opportunity has been afforded to any of us to go into it, I do not believe that it should be acted upon at this time.

Mr. OVERTON. Mr. President, in view of the controversy which the proposal of the Senator from New Jersey will precipitate upon the floor of the Senate, and in view of the fact that there is now pending in the other House a bill which has exactly the same objective, I ask the Senator if he will not withdraw his amendment and allow us to proceed with the final vote on the bill.

Mr. HAWKES. Mr. President, in view of the graciousness of the Senator from Louisiana, the amount of work which he has done in connection with this bill, as well as his desire to have it passed, and in consideration also of the fact that we have other important legislation on which the Senate must act, I am perfectly willing to withdraw the amendment and endeavor to accomplish its purpose in connection with the bill which is now pending in the other House.

Mr. OVERTON. I thank the Senator. The PRESIDENT pro tempore. The Senator from New Jersey withdraws his amendment.

Mr. DOWNEY. I thank the Senator.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 6407) was read the third time and passed.

Mr. ROBERTSON. Mr. President, I want to be recorded as voting "no" on the passage of the bill.

Mr. OVERTON. I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. OVERTON, Mr. BILBO, Mr. RADCLIFFE, Mr. PEPPER, Mr. MEAD, Mr. BREWSTER, Mr. WILEY, Mr. ROBERTSON, and Mr. CORDON, conferees on the part of the Senate.

EXTENSION OF PRICE CONTROL

The PRESIDENT pro tempore. A while ago the Senate agreed to take up the so-called OPA bill. Without objection, the joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The PRESIDENT pro tempore. Is there objection to the Senate proceeding to consider the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 371) which had been reported from the Committee on Banking and Currency with an amendment.

FLOOD CONTROL

Mr. BARKLEY. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to consider Calendar No. 1652, House bill 6597, the flood-control bill.

Mr. AIKEN. Mr. President, is that the \$770,000,000 bill?

Mr. BARKLEY. I do not know.

Mr. AIKEN. I would like to object, if the taking up of the bill requires unanimous consent.

Mr. BARKLEY. I hope the Senator will not object. We must take it up. There is no point in postponing it.

Mr. AIKEN. Does the Senator expect to take it up and have it passed this afternoon?

Mr. BARKLEY. I do not know how long it will take to pass it, but I believe that it should be taken up for consideration.

Mr. AIKEN. I thought that I might speak on the bill.

Mr. BARKLEY. I have no objection to that.

Mr. AIKEN. This is a type of bill which comes before the Senate annually, and this one calls for \$770,000,000. About \$670,000,000 of it is either directly or indirectly for the benefit of the State of Louisiana.

Mr. BARKLEY. I wish to say to the Senator that the OPA extension bill was made the unfinished business with the understanding that it would not be taken up until Monday, and with the further understanding that it might be temporarily laid aside so that the Senate could

consider the flood-control bill. I hope the Senator will not object to taking up the flood-control bill.

Mr. AIKEN. May I ask the majority leader if he believes that it will be possible for the Senate to take up the St. Lawrence seaway bill soon?

Mr. BARKLEY. I hope it will be possible. I am in favor of it.

Mr. AIKEN. I would want more than hopes.

Mr. BARKLEY. I cannot guarantee that it will be taken up at any particular time. I will cooperate to the best of my ability to see that it is considered at the first opportunity. The Senator knows the parliamentary situation. It is impossible to guarantee when any bill can be taken up by the Senate in the immediate future. But I am for the St. Lawrence seaway bill, and will cooperate in having it brought up and considered.

Mr. AIKEN. Unfortunately, many who are interested in flood control are not of the same frame of mind as is the Senator from Kentucky.

Mr. BARKLEY. There is no rule of the Senate which requires, merely because he is in favor of one bill, that a Senator be in favor of all other bills. Each bill stands on its own feet. I hope the Senator will not object to taking up the flood-control bill.

Mr. AIKEN. I am apprehensive that those who are interested in taking up the flood-control bill will do all they possibly can do, just as they have in the past, to prevent the Senate taking up the St. Lawrence seaway bill.

Mr. BARKLEY. That is a chance all of us must take.

Mr. AIKEN. For that reason, I do not see how I can give consent to laying aside the unfinished business.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MAGNUSON. At the conclusion of the consideration and passage of the river and harbor bill, and after the Senate had taken up the OPA bill, I understood the Senator from Kentucky to ask unanimous consent to lay aside temporarily the unfinished business and proceed with consideration of the flood-control bill. I believe that he had said earlier in the day that the Senate would begin debating the OPA bill on next Monday. The Chair asked if there was any objection. There was no objection, and the Chair said that it was so ordered.

Mr. AIKEN. I did not so understand.

Mr. BARKLEY. The Senator from Washington has stated the situation correctly. I asked that, following consideration of the river and harbor bill, the OPA extension bill be made the unfinished business. I stated that it would not be taken up until Monday, and that it would be my purpose to have it temporarily laid aside in order to take up the flood-control bill. That was agreed to.

Mr. AIKEN. I am sorry; but I did not understand it in that way.

Mr. BARKLEY. When, after I made the unanimous-consent request, the Chair asked me whether it was with the understanding that the flood-control bill would be taken up, I stated that I wished

~~The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware?~~

~~There being no objection, the bill (H. R. 6285) was considered, ordered to a third reading, read the third time, and passed.~~

EXTENSION OF PRICE CONTROL

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, House Joint Resolution 371.

The Senate resumed the consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which had been reported from the Committee on Banking and Currency, to strike out all after the enacting clause, and to insert the following:

That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947."

Sec. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947."

Sec. 3. Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section as follows:

"PURPOSES AND POLICIES IN THE TRANSITION PERIOD

"Sec. 1A. (a) Objectives: The Congress hereby affirms—

"(1) that because of abnormally excess spending power in relation to the presently available supply of commodities, rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living and costs of production (including labor costs), for the purposes set forth in section 1 of this act and for the further purposes of protecting the real value of benefits provided by law for veterans and their dependents, of keeping faith with purchasers of United States war bonds, and of making possible a successful transition to a peacetime economy of maximum employment, production, and purchasing power under a system of free enterprise;

"(2) that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to such a peacetime economy and would tend to repress and prevent the attainment of this and the other goals herein declared; and

"(3) that adequate prices are necessary stimulants to the production thus desired and the expeditious attainment of said goals.

"(b) Declaration of decontrol policy: Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

"(c) Recommendations by the President to the Congress: (1) As soon as practicable after the enactment of this section and in

any event on or before January 15, 1947, the President shall recommend to the Congress such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter.

"(2) On or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government (other than the Office of Price Administration) which should be charged with the administration of such powers.

"(d) Decontrol of nonagricultural commodities: (1) On or before December 31, 1946, the Administrator shall decontrol all nonagricultural commodities not important in relation to business costs or living costs, and prior to that date shall proceed with such decontrol as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. In no event shall maximum prices be maintained after December 31, 1946, for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

"(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements).

"(3) Whenever, after a reasonable test period, it appears that the supply of a nonagricultural commodity which has been decontrolled is no longer consistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this act.

"(e) Agricultural commodities: (1) On the first day of the first calendar month which begins more than 30 days after the date of enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which such Secretary determines to be in short supply. Thereafter, on the first day of each succeeding calendar month the Secretary shall certify modifications of such certification by adding other agricultural commodities which have become in short supply and by removing from such certification such commodities which he determines are no longer in short supply. No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than 30 days after the date of enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

"(2) (A) Whenever the Secretary of Agriculture determines that maximum prices applicable to any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity.

"(B) The Secretary of Agriculture by December 31, 1946, shall recommend to the Price Administrator the removal of maximum prices on all agricultural commodities, whether or not in short supply, not important in relation to business costs or living costs, and prior to that date shall make such recommendations as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect.

"(C) Within 10 days after the receipt of any recommendation under this subsection for the adjustment of maximum prices applicable to any agricultural commodity, or for the removal of maximum prices on agricultural commodities not important in relation to business costs or living costs, the Price Administrator shall adjust or remove such minimum prices in accordance with such recommendations.

"(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this act.

"(4) For the purposes of this section (except subparagraph (6) of this subsection (d))—

"(A) An agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season;

"(B) The term 'agricultural community' shall be deemed to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity.

"(5) Notwithstanding any other provision of this or any other law, except as provided in subsection (h), the Secretary of Agriculture, in exercising his functions under this act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, and no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. The Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under this act, and upon the withdrawal of his approval such action shall be rescinded.

"(6) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this act prior to April 1, 1946.

"(f) Saving provision: Nothing in this section shall limit the Administrator's authority to remove maximum prices for any nonagricultural commodity, or any agricultural commodity with the approval of the Secretary of Agriculture, at an earlier time than would be required by this section, if in his judgment or in the judgment of the Secretary of Agriculture, as the case may be, such action would be consistent with the purposes of this section.

"(g) Petitions for decontrol: (1) If in the judgment of the industry advisory committee appointed by the Administrator in accordance with section 2 (a) of this act to advise and consult with respect to a commodity, the

standards set forth in this section require the removal of maximum prices for such commodity, it may file a petition for the removal of such maximum prices. In the case of any nonagricultural commodity, such petition shall be filed with the Administrator in accordance with regulations prescribed by him. In the case of agricultural commodities, such petition shall be filed with the Secretary of Agriculture in accordance with regulations prescribed by him and shall request that he make an appropriate certification or recommendation to the Price Administrator. The petition shall specifically state the grounds upon which the committee believes such action to be required and shall be accompanied by affidavits or other written evidence in support thereof.

"(2) Within 15 days after receiving a petition filed in accordance with the provisions of this subsection, the Administrator or the Secretary of Agriculture, as the case may be, shall either grant the petition or inform the committee in writing why in his judgment the standards of decontrol stated in subsections (d) and (e) have not been satisfied with respect to the commodity involved. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, shall, within 10 days after the receipt of a request by the committee for further consideration of its petition, hold a hearing before himself or before a deputy administrator (or, in the case of the Secretary, before such officer as he may designate) at which the committee may present its argument in support of the petition. The Consumers Advisory Committee and the Labor Advisory Committee appointed by the Administrator shall be given notice of any such hearing and an opportunity to present their views with respect to the petition and may, no later than 5 days prior to such hearing, present in writing evidence relating thereto. Within 15 days after such hearing, the Administrator or the Secretary, as the case may be, shall either grant the petition in full or furnish the industry advisory committee with a statement in writing of his reasons for denying it in whole or in part together with a statement of any economic data or other facts of which he has taken official notice in connection with such denial.

"(3) At any time within 30 days after the denial in whole or in part, following a hearing, of a petition filed under this subsection, the petitioning industry advisory committee may petition the Price Decontrol Board established under subsection (h) for a review of the action of the Administrator or the Secretary of Agriculture. If the Administrator or the Secretary, as the case may be, fails to act upon a petition within the time prescribed by paragraph (2), the industry advisory committee may, at any time within 30 days after the expiration of the time so prescribed, petition the Price Decontrol Board for the removal of maximum prices on the commodity involved.

"(4) Nothing in this section shall be construed to take away or impair any right of any person to protest, in accordance with the provisions of sections 203 and 204 of this act, the further maintenance of maximum prices for a commodity under the standards of subsection (d) or (e): *Provided*, That the filing of such a protest or of a petition under paragraph 3 of this subsection shall not be grounds for staying any proceeding brought pursuant to section 205 of this act or section 37 of the Criminal Code, and no retroactive effect shall be given to any judgment setting aside a provision of a regulation, order, or price schedule under the standards set forth in this section.

"(h) Price Decontrol Board: (1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Sen-

ate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall constitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of \$12,000 a year.

"(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board.

"(3) A petition made under subsection (g) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's or Secretary's reasons for believing that maximum prices on the commodity involved should not be removed, together with a statement of any economic data or other facts of which he has taken official notice. At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence, the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing on any petition, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board. Orders of the Board shall not be subject to modification or review by any other department or agency or by any court.

"(4) No petition may be filed with the Board with respect to any commodity within a period of 3 months after the issuance of an order of the Board with respect to the same commodity.

"(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensa-

tion in respect of any particular matter which is within the jurisdiction of the Board.

"(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it deems proper upon the record or may conduct a new hearing upon the petition before the Board."

SEC. 4. Section 2 (a) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new sentence: "In administering the provisions of this subsection relating to the establishment of industry advisory committees, the Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region."

SEC. 5. Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof a new paragraph as follows:

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in the investment, operation, expenses, and mechanical details of operation between the transient hotels and the residential and apartment hotels, and is directed to classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourists courts, rooming houses, and boarding houses."

SEC. 6. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations for the fiscal year ending June 30, 1947, of the Commodity Credit Corporation and the Reconstruction Finance Corporation: *Provided*, That with respect to such corporations and such operations, the making of subsidy payments and buying for resale at a loss shall be limited as follows:

Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

(1) With respect to rubber produced in Latin-America and Africa for which commitments were made before January 1, 1946, \$31,000,000.

(2) With respect to copper, lead, and zinc, in the form of premium price payments, \$100,000,000: *Provided*, That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than herefore and (i) adjustments shall be made to encourage exploration and development work, (ii) adequate allowances shall be made for depreciation and depie-

tion, and (iii) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, \$869,000,000: *Provided*, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than \$629,000,000 during the last 6 months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended or the Stabilization Act of 1942, as amended: *Provided*, That subsidies with respect to petroleum produced from stripper wells shall be continued at not to exceed the existing rates. No new subsidy or purchase and sale operations shall be undertaken under the authority of this subparagraph (4), and no change shall be made in the basis of any existing operations for which funds are made available under this subparagraph which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

(b) When any direct or indirect subsidy to an industry is reduced or terminated, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies and differential subsidies to high-cost producers.

(c) Where roll-back subsidies have previously been or presently are in effect, and have been discontinued, or shall hereafter be discontinued, the industries which have received such subsidies shall be permitted to increase their ceiling prices at least an amount equivalent to the amount of the discontinued roll-back subsidy. Such price increase shall become effective either upon discontinuance of the roll-back subsidy or upon passage of this act, whichever date is the later. For the purposes of this paragraph, the term "roll-back subsidies" means subsidy payments, or purchases and sales of a commodity at a loss by the Government of the United States (including any Government owned or controlled corporation), or contracts therefor, which resulted directly or indirectly in the lowering of ceiling prices below the maximum price levels established by the Office of Price Administration prior to the institution of the subsidy payments or purchases and sales at a loss, or the execution of the contracts therefor, whichever date is the earlier.

(d) Nothing in this section shall be construed to affect the provisions of Public Laws 30, 88, 164, and 328 of the Seventy-ninth Congress, or to prevent the use of the sums authorized in such laws to fulfill obligations incurred prior to July 1, 1946, with respect to operations prior to such date.

(e) Notwithstanding any of the foregoing provisions of this section 6, 1946 and 1947 crop program operations with respect to sugar, may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. For the purpose of this section 6, no subsidy program

operation on sugar shall be considered to be a new subsidy.

(f) Nothing in this section shall be construed as a limitation upon operations authorized by the Veterans' Emergency Housing Act of 1946 (Public Law 338, 79th Cong.).

SEC. 7. Section 2 (1) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(i) For the purposes of this act and the Stabilization Act of 1942, as amended, fish and other sea food shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: *Provided*, That the provisions of section 3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or substantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price thereof in the year 1942."

SEC. 8. Section 2 (j) of the Emergency Price Control Act of 1942, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: "or (5) as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer."

SEC. 9. Section 2 (k) of the Emergency Price Control Act of 1942, as amended, is amended by inserting the words "or any operator of any service establishment" after the words "seller of goods at retail."

SEC. 10. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections:

"(o) No maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity to which no maximum price is applicable with respect to sales to restaurants and other eating establishments, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined, under the applicable maximum price regulation or order, by the addition of a customary margin to the acquisition cost of such item.

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established peacetime retail trade discounts or mark-ups or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of 6 months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or whole-

sale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit sales of such commodity for a period of 6 months shall have reached the average annual wholesale unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(s) No maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity (treating as a single commodity for the purposes of this paragraph all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed by the Office of Price Administration under a single regulation) if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such distributive trade were less than 100 percent of the deliveries thereof in the corresponding quarter of 1945.

"(t) In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall make due allowance for the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

"(u) After the date upon which this subsection takes effect, no maximum price shall be established or maintained, under this act or under any other provision of law, with respect to any new commodity when the Administrator upon application finds that its use, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured or processed. As used in this subsection the term 'new commodity' means a commodity which was not commercially or industrially available prior to January 30, 1942."

SEC. 11. The Emergency Price Control Act of 1942, as amended, is amended by inserting after section 5 thereof the following new section:

"SEC. 6. (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

"(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

"(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and

shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including reasonable adjustments for conditions resulting from abnormal volume of production.

"(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

"(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act.

"(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

"(g) As used in this section, 'product' shall mean any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or article shall be considered as one product.

"(h) The provisions of this section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

"(i) Nothing in this section shall be construed to require any adjustment in maximum prices except pursuant to an application filed under this paragraph, or be construed to invalidate any maximum price unless there is a failure to make adjustments, in accordance with the procedure prescribed in this paragraph, to such extent as may be required to comply with the standards set forth in this section. Any industry advisory committee may apply to the Administrator for the adjustment of the maximum prices applicable to any product in accordance with the standards set forth in this section, and shall present with the application comprehensive evidence with respect to costs and prices. The Administrator shall consider the evidence so presented and all evidence otherwise available to him and, within 60 days after the receipt of such application, he shall make the adjustments in maximum prices required by this section, or, if he finds that no such adjustments are required, he shall deny the application. If the Administrator fails to make the adjustments in the maximum prices for any product required by this section or to deny the application within the 60-day period prescribed in this paragraph, the industry advisory committee concerned may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to make such adjustments or deny such application within such time, not to exceed 30 days, as may be fixed by the court. If the Administrator fails to make such adjustments or deny such application within the time so fixed, no maximum price shall thereafter be applicable with respect to any sale of such product by any seller."

SEC. 12. (a) The second sentence of section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not

less than \$25 nor more than \$50, as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation."

(b) Section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"The Administrator may not institute any action under this subsection on behalf of the United States, or, if such action has been instituted, the Administrator shall withdraw the same—

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration; or

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, or to any public housing authority whose operations are supervised or financed in whole or in part by any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"The Administrator shall not institute or maintain any enforcement action under this subsection against any manufacturer of apparel items where the Administrator shall determine (1) that the transactions on which such proceeding is based consisted of the manufacturer's selling such an item at his published March 1942 price list prices instead of his March 1942 delivered prices, and (2) that the seller's customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices. The Administrator's determinations under this paragraph shall be subject to review by the Emergency Court of Appeals in accordance with sections 203 and 204."

SEC. 13. The third sentence of paragraph (2) of section 205 (f) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no suspension shall be for a period of more than 12 months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed."

SEC. 14. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price

or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive)."

SEC. 15. The Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is hereby authorized to allocate feed which he controls to feeders of livestock and poultry in domestic areas which he may determine to be in an emergency shortage condition with respect to animal and poultry feed.

SEC. 16. (a) In the event producers of wheat are required by an order issued pursuant to the Second War Powers Act, 1942, as amended, to sell all or any part of wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat so required to be sold at a price determined as follows: The purchase price paid for the wheat shall be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947, inclusive: *Provided, however,* That only one election may be made for each lot of wheat: *And provided further,* That the producer may not elect a date prior to the date on which he mails a written notice to Commodity Credit Corporation of his election. In the event the producer does not notify Commodity Credit Corporation in writing by March 31, 1947, of his election of a date for determining the market price, such date shall be deemed to be March 31, 1947.

(b) Any producer of wheat who, prior to the date of enactment of this act, has sold any wheat pursuant to the requirements of paragraph (ee) (1) of War Food Order No. 144, may, at any time within 30 days after the date of enactment of this act, pay to the Commodity Credit Corporation a sum equal to the amount for which he sold such wheat. Any producer paying any such sum to the Commodity Credit Corporation shall be deemed to have sold and delivered to the Commodity Credit Corporation as of the date he pays such sum a quantity of wheat equal in grade and quality to the quantity sold by him pursuant to such requirements and the purchase price to be paid to him for such wheat shall be determined in the same manner as in the case of a sale of wheat to the Commodity Credit Corporation pursuant to the provisions of subsection (a) of this section.

SEC. 17. This act may be cited as the "Price Control Extension Act of 1946."

SEC. 18. (1) The provisions of this act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this act had been enacted on June 30, 1946: *Provided,* That in any case in which the Emergency Price Control Act of 1942 (except sections 204 and 205), as amended, or the Stabilization Act of 1942 (except sections 8 and 9), as amended, or any regulation, order, or requirement under either of such acts, prescribes any period of time within which

any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this act, both inclusive: *Provided further*, That no act or transaction occurring subsequent to June 30, 1946, and prior to the date of enactment of this act shall be deemed to be a violation of

the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such acts: *Provided further*, That insofar as the provisions of this act require any change in any maximum price, such provisions shall not be deemed to require such change to be made before the thirtieth day following the date of enactment of this act.

RECESS TO MONDAY

Mr. BARKLEY. Mr. President, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until Monday, July 8, 1946, at 12 o'clock meridian.

House of Representatives

FRIDAY, JULY 5, 1946

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer.

O Thou great God of men and of nations, we thank Thee for all our yesterdays and for that day of solemn and sacred memory in our national history which we call Independence Day. May our minds and hearts continue to enlarge with pride and praise for our beloved country, conceived in sacrifice, dedicated to Thy glory, and consecrated to the service of humanity.

We pray that the ethic of good will and justice and friendship may be the foundation upon which we are seeking to build a more glorious nation and a better world. Fill us with an eager and earnest desire to translate the lofty ideals of democracy and freedom into practical economic, political, and social realities.

May our President, our Speaker, and all the Members of this legislative body, who share the responsibilities of government, be inspired to lead struggling humanity out of the darkness of night into the radiant light of a new day that will be more wonderful than our dreams and more blessed than our fondest hopes.

Hear us in our Saviour's name. Amen.

THE JOURNAL

The Journal of the proceedings of Wednesday, July 3, 1946, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1850. An act to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes; and

S. Con. Res. 69. Concurrent resolution further increasing the limit of expenditures for the investigation of the Pearl Harbor attack.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 294. An act to authorize the Administrator of Veterans' Affairs to furnish certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War II, and for other purposes; and

S. 884. An act conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.

The message also announced that the Senate disagrees to the amendments of

the House to the bill (S. 346) entitled "An act to amend section 21 of the act of May 28, 1896 (29 Stat. 184; 28 U. S. C., sec. 597), prescribing fees of United States commissioners," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. HUFFMAN, and Mr. STANFILL to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1801) entitled "An act authorizing the appointment of an additional judge for the district of Delaware," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. MURDOCK, and Mr. MOORE to be the conferees on the part of the Senate.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOLMES of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CORRECTION OF VOTE

Mr. HOLMES of Washington. Mr. Speaker, on July 3 I was unavoidably absent on official business. It was my understanding when I left the floor that I had a live pair for the passage of the Crosser bill, but the RECORD does not so indicate. And on roll call 200, on amendments to the Crosser bill, I was erroneously recorded as being present and voting "yea." I ask unanimous consent that the RECORD and Journal be corrected by deleting this erroneous recording.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

THE LATE GUY T. HELVERING

Mr. CARLSON. Mr. Speaker, it is my sad duty to announce to the House the death of Judge Guy T. Helvering, a former Member of this body. Mr. Helvering died yesterday morning at Doctor's Hospital in Washington, D. C. He came to Washington about 3 weeks ago and passed away following an operation.

Mr. Helvering served in the House from March 3, 1913, to March 3, 1919. During the last two terms of his service, he was a member of the Ways and Means

Committee. In 1933 President Roosevelt appointed him Commissioner of Internal Revenue, and he served in that capacity until his appointment as Federal judge in 1943.

Judge Helvering was one of Kansas' most influential citizens, having been the recognized leader of the Democratic Party for many years. He was a successful businessman and a distinguished and honorable public servant. His influence and guiding hand will be missed in the State and Nation.

During my service in Congress, I have had the opportunity of working with Judge Helvering, and he was always friendly and most helpful. Personally, I am going to miss him very much.

Judge Helvering is survived by his widow, Mrs. Tinnie L. Helvering, of Salina, Kans. I want to extend my sincerest sympathy to Mrs. Helvering and other members of the family.

Mr. HAYS assumed the chair.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from Texas.

Mr. RAYBURN. I learned on yesterday about the passing of an old friend, Guy Helvering. I served in the House with him many years ago. He went out of public life and into business. Then he was called to serve as Commissioner of Internal Revenue. While Guy Helvering was Commissioner of Internal Revenue we had a Commissioner that knew what it was about. He was a splendid administrator. He was a patriotic and great American. The country has suffered a real loss in his going.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Mr. Speaker, I join with my fellow Members to pay tribute to the life and character of a distinguished former Member of this House, Judge Guy Helvering, who passed to his great reward yesterday.

Judge Helvering had a distinguished career in the State of Kansas. After he left college, he became prosecuting attorney in the county of his residence. He served as a Member of this body prior to and during World War I. He retained his interest and leadership in the Democratic Party and was always effective in political campaigns.

He was successful in the banking business in his home city of Salina, Kans. He served as State highway director during the administration of Gov. Harry Woodring. In 1933 he was appointed Collector of Internal Revenue of the United States, where he served until 2 years ago, when the President appointed him to the judgeship of the Federal district of the State of Kansas.

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 5, 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 9, after line 14, insert the following new paragraph:

- 1 (7) Price controls, with respect to livestock, poultry,
- 2 and eggs, and food and feed products processed or manu-
- 3 factured in whole or in substantial part from livestock,
- 4 poultry, or eggs, shall not be effective after June 30, 1946.

79TH CONGRESS
2d Session

H. J. RES. 371

AMENDMENT

Intended to be proposed by Mr. McCarran to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 5, 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 5, 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 34, following line 20, insert a new section as follows:

- 1 SEC. 19. Notwithstanding the provisions of the clause
- 2 numbered (4) of subsection 2 (a) of the Administrative
- 3 Procedure Act (approved June 11, 1946) the provisions
- 4 of such Act shall be applicable to the Office of Price Admin-
- 5 istration and all the functions thereof.

H. J. RES. 371

AMENDMENT

Intended to be proposed by Mr. McCARRAN to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 5, 1946

Ordered to lie on the table and to be printed

79TH CONGRESS
2^D SESSION

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 5, 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. TAFT to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: Strike out section 11 and insert in lieu thereof the following:

1 SEC. 11. The Emergency Price Control Act of 1942,
2 as amended, is amended by inserting after section 5 thereof
3 the following new section:

4 "SEC. 6. (a) Notwithstanding the provisions of this
5 Act or the Stabilization Act of 1942, as amended, but only
6 after the procedure prescribed in subsection (d) hereof,
7 no maximum price applicable to any producer, manufacturer,
8 or processor shall be established or maintained for any

1 product below the price of such producer, manufacturer, or
2 processor for such product during the base period, increased
3 by an amount equal to (or by a percentage factor which on
4 a weighted average basis is equal to) the increase in the
5 weighted average of the per unit costs of a reasonable
6 number of typical producers, manufacturers, or processors
7 with respect to such product since the base period, but if
8 such product as now produced, manufactured, or processed
9 has a different size, quality, or other characteristic, then
10 with appropriate adjustments for such differences. This
11 section shall not apply with respect to any new product
12 which was not produced, manufactured, or processed in the
13 base period, nor with respect to any product if the weighted
14 average per unit costs of a reasonable number of typical
15 producers, manufacturers, or processors with respect to such
16 product has decreased since the base period. In deter-
17 mining costs for the purposes of this section, all costs shall
18 be included which are considered as such under the estab-
19 lished accounting practices of the industry.

20 “(b) For the purposes of this section the base period
21 shall be the period between July 1 and July 15, 1940, except
22 that, if in the case of any product there were no prevailing
23 prices between such dates, or the prevailing prices between
24 such dates were not generally representative because of
25 abnormal or seasonal market conditions or other cause, the

1 base period shall be the nearest period not exceeding sixty
2 days, in which, in the judgment of the Administrator, the
3 prevailing prices were substantially normal.

4 “(c) As used in this section, ‘product’ shall mean any
5 major item, or any article different in character from other
6 products of the industry; but all the styles, models, or other
7 varieties of any such item or article shall be considered as one
8 product.

9 “(d) Any industry advisory committee may apply to
10 the Administrator for the application to any product of the
11 standard set forth in subsection (a) hereof, and shall present
12 with the application comprehensive evidence with relation
13 to the increase in cost of such product from the base period
14 to the date of such application. The Administrator shall
15 consider the evidence so presented and all evidence otherwise
16 available to him and shall, within sixty days after the receipt
17 of such application, determine the increase in the weighted
18 average of the per unit costs of a reasonable number of typical
19 producers, manufacturers, or processors with respect to such
20 product since the base period and announce the amount of
21 such increase. Such increase in weighted average of the per
22 unit costs may be determined and announced in terms of a
23 specified sum per unit or in terms of a percentage factor, as
24 the Administrator may elect. In determining such weighted
25 average of the per unit costs of producers, manufacturers, or

1 processors, it shall not be necessary to obtain detailed cost
2 accounting figures from any producer, manufacturer, or
3 processor who does not already have such figures or to obtain
4 the usual detailed accounting reports from more than a
5 reasonable number of typical producers, manufacturers, and
6 processors, but the Administrator shall promptly reach a
7 conclusion from the best evidence available to him. He shall
8 exclude from his calculations any producers, manufacturers,
9 or processors whose costs by reason of special conditions are
10 completely abnormal. If the Administrator fails to determine
11 and announce the increase in the weighted average of the
12 per unit costs for any product within the sixty-day period
13 prescribed in this subsection, the industry advisory committee
14 concerned may petition the Emergency Court of Appeals,
15 created pursuant to section 204, for relief; and such court
16 shall have jurisdiction by appropriate order to require the
17 Administrator to determine and announce such increase with-
18 in such time, not to exceed thirty days, as may be fixed
19 by the court. If the Administrator fails to determine and
20 announce such increase within the time so fixed, no maxi-
21 mum price shall thereafter be applicable with respect to any
22 sale of such product by any seller.

23 “(e) Whenever the Administrator has announced the
24 increase in the weighted average of the per unit costs for
25 any product under subsection (d), it shall be lawful for any

1 producer, manufacturer, or processor to sell such product at
2 the price per unit he charged in the base period, plus the in-
3 crease per unit so announced by the Administrator, with
4 appropriate adjustments for differences in size, quality, or
5 other characteristics.

6 “(f) Notwithstanding the foregoing provisions of this
7 section, in the case of any agricultural commodity, the base
8 period shall be the calendar year 1941, and in lieu of com-
9 puting the maximum prices required or permitted by this
10 section by adding the increase in the weighted average of
11 per unit costs to the base period prices of particular pro-
12 ducers, such maximum prices shall be computed by adding
13 such increase to the average 1941 price for such agricultural
14 commodity (with appropriate adjustments for grade, location,
15 and seasonal differentials) as determined and announced by
16 the Secretary of Agriculture.

17 “(g) The provisions of this section shall not apply with
18 respect to any maximum price applicable to manufacturers
19 or processors in the case of products made in whole or major
20 part from cotton or cotton yarn or wool or wool yarn.”

AMENDMENT

Intended to be proposed by Mr. Tarr to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 5, 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 5, 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WHERRY to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 24, beginning with line 14, strike out all down to and including line 18, and insert in lieu thereof the following:

- 1 (t) No maximum price shall be established or main-
2 tained for any commodity below a price which will return
3 to distributors, wholesalers, or retailers of such commodity
4 their prewar trade discount or the sum of total current costs
5 of acquisition plus the prewar mark-up. The prewar mark-up
6 shall be the average percentage mark-up of such distributors
7 or wholesalers or retailers for such commodity for the period
8 between October 1 and October 15, 1941.

AMENDMENT

Intended to be proposed by Mr. WENYER to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 5, 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 5, 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WHERRY (for himself, Mr. BALL, Mr. BRIDGES, Mr. BUCK, Mr. BROOKS, Mr. CAPEHART, Mr. CAPPER, Mr. MOORE, Mr. WILSON, Mr. WILLIS, and Mr. MILLIKIN) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 9, between lines 14 and 15, insert the following:

- 1 (8) No maximum price and no regulation or order
- 2 under this Act or the Stabilization Act of 1942, as amended,
- 3 shall be applicable with respect to milk, or food or feed
- 4 products processed or manufactured in whole or substantial
- 5 part from milk.

AMENDMENT

Intended to be proposed by Mr. WHEATY (for himself, Mr. BAIL, Mr. BRIDGES, Mr. BUCK, Mr. BROOKS, Mr. CARNER, Mr. CARPER, Mr. MOORE, Mr. WILSON, Mr. WILLS, and Mr. MULLIKIN) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 5, 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 5, 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WHERRY (for himself, Mr. BALL, Mr. BRIDGES, Mr. BUCK, Mr. CAPEHART, Mr. CAPPER, Mr. MOORE, Mr. WILSON, Mr. WILLIS, and Mr. MILLIKIN) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 9, between lines 14 and 15, insert the following:

- 1 (7) No maximum price and no regulation or order
- 2 under this Act or the Stabilization Act of 1942, as amended,
- 3 shall be applicable with respect to livestock, poultry, eggs,
- 4 or milk, or food or feed products processed or manufactured
- 5 in whole or substantial part from livestock, poultry, eggs,
- 6 or milk.

AMENDMENT

Intended to be proposed by Mr. WHEAT (for himself, Mr. BAILEY, Mr. BRIDGES, Mr. BUCK, Mr. CANNON, Mr. CARPER, Mr. MOORE, Mr. WILSON, Mr. WILLS, and Mr. MILLIKIN) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 5, 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 5, 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WHERRY (for himself, Mr. CARVILLE, Mr. BALL, Mr. BRIDGES, Mr. BROOKS, Mr. BUCK, Mr. CAPEHART, Mr. CAPPER, Mr. MOORE, Mr. WILSON, Mr. WILLIS, Mr. BUSHFIELD, Mr. ROBERTSON, Mr. GURNEY, Mr. MILLIKIN, and Mr. DONNELL) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 9, between lines 14 and 15, insert the following:

- 1 (7) No maximum price and no regulation or order
- 2 under this Act or the Stabilization Act of 1942, as amended,
- 3 shall be applicable with respect to livestock, poultry, or
- 4 eggs, or food or feed products processed or manufactured in
- 5 whole or substantial part from livestock, poultry, or eggs.

AMENDMENT

Intended to be proposed by Mr. WERRY (for himself, Mr. CARVILLE, Mr. BALL, Mr. BRIDGES, Mr. BROOKS, Mr. BUCK, Mr. CAPEHART, Mr. CARPER, Mr. MOORE, Mr. WILSON, Mr. WILDS, Mr. BUSHFIELD, Mr. ROBERTSON, Mr. GURNEY, Mr. MURKIN, and Mr. DONNEL) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 5, 1946

Ordered to lie on the table and to be printed

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Legislative Reports and Service Section
(For Department staff only)Issued
For actions ofJuly 9, 1946
July 8, 1946
79th-2nd, No. 132

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HIGHLIGHTS: Senate debated price-control measure, spending most of time on Wherry amendment to eliminate controls on livestock, poultry, eggs, and their products; Sen. Wherry quoted Secretary Anderson's testimony. Senate received appropriation estimate for inspection of materials used in process and renovated butter. House committee reported Flannagan-Hope research and marketing bill. Rep. Holmes said grain elevators are full and that he wondered how USDA can explain present situation in view of this. Rep. Rees criticized farm-machinery exports.

SENATE

- 1. PRICE CONTROL.** Continued debate on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts (pp. 8472-509). Debated an amendment by Sen. Wherry, Nebr., to prohibit price control on livestock, poultry, eggs, or their products; Sen. Wherry quoted testimony of Secretary Anderson on the previous bill (pp. 8483-509).
- 2. APPROPRIATIONS; BUTTER INSPECTION.** Received from the President a supplemental appropriation estimate of \$18,500 to enable BDI to carry out the recent act providing for inspection of materials used in process or renovated butter (S. Doc. 235). To Appropriations Committee. (p. 8472.)
- 3. FEDERAL-AID INVESTIGATION.** The Education and Labor Committee reported without amendment S. Res. 300, to provide for an investigation of Federal grants to State and local governments for welfare, education, and health programs (S. Rept. 1668)(p. 8473).
- 4. ADMINISTRATIVE EXPENSES.** In reporting H. R. 6533, the Manasco point-of-order bill (see Digest 129), the Senate Committee inserted amendments to increase the limit on household-goods transfers to 7,000 pounds if uncrated or 8,750 pounds if crated, to provide for mileage allowances of 5 cents for cars and 2 cents for motorcycles whether the travel is away from official stations or not, to provide that the waiver of the bids requirement for personal services shall be applicable only if the services are of a technical and professional nature or are performed under Government supervision and paid for on a time basis, to "specify in plain terms that...mandate for advertising for bids is equally applicable whether the Government deals as a buyer or as a seller", to authorize honor awards, to make the bill (except for the station-transfer provisions)

effective upon enactment rather than on July 1, 1946, and to provide that the bill's limitation on pay of experts or consultants shall not apply to agencies not under the Classification Act.

5. VEHICLE PURCHASING. Received from the President proposed provisions increasing to \$1,300 the amount allowed for purchase of passenger vehicles and repealing the provisions limiting the purchase of such vehicles to used or surplus (June 28, S. Doc. 229). To Appropriations Committee.
6. FOREIGN AFFAIRS. Received from the President a supplemental appropriation estimate of \$339,853.60 for the International Institute of Agriculture pending its integration with FAO (July 3, S. Doc. 233). To Appropriations Committee.

HOUSE

7. RESEARCH; MARKETING. The Agriculture Committee reported with amendment H.R. 6932, the Flannagan-Hope marketing and research bill (H.Rept. 2458) (p. 8560).
8. FLOOD CONTROL. Reps. Whittington, Allen (La.), Elliott, Clason, and Wilson were appointed conferees on H.R. 6597, the omnibus flood-control bill (p. 8514). Senate conferees were appointed July 5.
9. RIVERS AND HARBORS. Received the conference report on H.R. 6407, the rivers and harbors omnibus bill (pp. 8527-8). House conferees were appointed earlier in the day (pp. 8511-2).
10. TREASURY-POST OFFICE APPROPRIATION BILL. Received the conference report on this bill, H.R. 5452 (pp. 8515-6).
11. FARM MACHINERY. Rep. Roes, Kans., criticized the export of farm machinery when there is "an acute need for tractors and all kinds of farm machinery" in the U.S. (p. 8512).
12. WHEAT SITUATION. Rep. Holmes, Mass., criticized the wheat situation, inserted a newspaper item indicating that grain elevators are full, and stated "I wonder how the Department of Agriculture can explain this away" (p. 8514).
Rep. Rogers, Mass., criticized exports of "white flour" to Japan in view of the shortage here (p. 8515).
13. GRAIN SHORTAGE. Rep. Morrow, N.H., inserted N.H. Agriculture Commissioner Felker's letter stating that grain is more plentiful since the "death of OPA" (p. 8513).
14. POINTS OF ORDER. The Public Lands Committee reported with amendments H.R. 6629, to provide basic authority for the performance of certain functions and activities of the National Park Service (H.Rept. 2459) (p. 8560).
15. BUILDINGS AND GROUNDS. The Public Buildings and Grounds Committee reported with amendments H.R. 6307 to provide for site acquisition and design of Federal buildings (H.Rept. 2460) (p. 8560). For summary of bill see Digest 129.
16. BRITISH LOAN. Began debate on S. J. Res. 138, to authorize a loan to Great Britain (pp. 8519-27, 8528-59). Agreed earlier to a resolution for the consideration of this measure.
17. EXPENDITURES. Rep. Rich, Pa., criticized Federal expenditures for the fiscal year 1946 (p. 8513).



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PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

Vol. 92

WASHINGTON, MONDAY, JULY 8, 1946

No. 132

Senate

(Legislative day of Friday, July 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of the morning, we thank Thee for dawning light which softly steals across the darkened earth as the leaves stir in answer to it and the birds sing the broken music of it and the long light falls across the quiet spaces and touches the sleeping waters into molten silver. Our glad eyes rejoice for roads made clear again and for fields revealed again, for love-lit faces into which to look and for a transfigured world made radiant and real.

Make us partakers of the sacrament of light, sharing the mystic secret of the very soul of things. We come with hearts grateful for other lights that no darkness can put out, beacons flaming in the sky, the light of truth and love and duty in whose glory we walk and in the shining splendor of which we toil. Steady us with the assurance that our labor for a new earth of brotherhood is not in vain if we but open our minds and hearts to the life which is the light of men, and if we but listen to a voice not faint and far in fields of Galilee, but in the want and woe of today and tomorrow passionately pleading:

"O brothers, I make the world one kin;
Open your hearts and let Me in,
That the reign of My Father may begin."

We ask it all in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Friday, July 5, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 3, 1946, the President had approved and signed the act (S. 2345) to provide for the retention by the United

States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines subsequent to independence.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PETERSON of Georgia, Mr. RANKIN, Mr. JACKSON, Mr. FISHER, Mr. PETERSON of Florida, Mr. DONDERO, Mr. PITTINGER, Mr. ROGERS of Pennsylvania, and Mr. ANGELL were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6597) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WHITTINGTON, Mr. ALLEN of Louisiana, Mr. ELLIOTT, Mr. CLASON, and Mr. WILSON were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 680. An act to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act;

H. R. 5258. An act granting a renewal of Patent No. 113,244, dated February 7, 1939, relating to the flag of the Church of God;

H. R. 5933. An act to authorize and direct the Board of Public Welfare of the District of

Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes;

H. R. 5990. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes;

H. R. 6285. An act authorizing the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del.; and

H. R. 6477. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933, as amended, and section 3 of the Federal Farm Mortgage Corporation Act, as amended, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on July 8, 1946, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 294. An act to authorize the Administrator of Veterans' Affairs to furnish upon a reimbursement basis certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War II in consideration of reciprocal services extended to the United States;

S. 342. An act to amend section 5296 of the Revised Statutes, as amended, relating to the discharge of indigent convicts for nonpayment of fines;

S. 344. An act to prescribe and furnish to United States commissioners standard forms and dockets and to furnish United States Code and seal;

S. 345. An act concerning the method of payment of the compensation of United States commissioners;

S. 438. An act authorizing the Secretary of the Interior to partition certain lands in Cleveland County, Okla., and for other purposes;

S. 593. An act for the relief of Warrant Officer Wayne C. Proper;

S. 884. An act conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.;

S. 933. An act for the relief of the estate of Sybel Spence;

S. 1051. An act for the relief of William J. Simpson and John R. Rogers, Sr.;

S. 1061. An act for the relief of Violet Ludokiewich;

S. 1150. An act for the relief of John Leberman;

S. 1314. An act for the relief of Frederic P. L. Mills;

S. 1489. An act to authorize payment for accumulated and accrued annual leave to female dietitians and physical-therapy aides whose civilian appointments were terminated pursuant to section 4 of the act of December 22, 1942 (56 Stat. 1073);

S. 1517. An act for the relief of Lofts & Son;

S. 1569. An act for the relief of Gwynn C. Triplett, and for other purposes;

S. 1578. An act to clarify the terms "compensation" and "pension" under laws administered by the Veterans' Administration;

S. 1683. An act for the relief of the estate of Mrs. Sufronia Andrus;

S. 1746. An act to govern distribution of war trophies and devices;

S. 1773. An act for the relief of Fredrick Uhrmann;

S. 1852. An act for the relief of the legal guardian of Arlis Earl Teekell;

S. 1893. An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein;

S. 1912. An act for the relief of Brig. Gen. Carl H. Seals;

S. 1965. An act for the relief of the estate of C. Benjamin Stapleton;

S. 1979. An act to eliminate the restriction on the number of lots which may be acquired by settlers in the town site of Wadsworth, Nev.;

S. 1988. An act to authorize the Secretary of the Interior to quitclaim to the heirs of Jesus Gonzales all right, title, and interest of the United States in a certain described tract of land within the Carson National Forest, New Mexico;

S. 2015. An act for the relief of William H. Morris;

S. 2099. An act to authorize the Administrator of Veterans' Affairs to accept gifts, devises, and bequests in behalf of the general post fund for the use of veterans and for the sale and conveyance of any such property under certain circumstances and the covering of the proceeds thereof into the post fund, and for other purposes;

S. 2107. An act for the relief of certain postal employees;

S. 2234. An act to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes;

S. 2292. An act for the relief of the Miami Herald, the Key West Citizen, and the Miami Daily News;

S. 2307. An act to provide that every Saturday shall be a holiday for banks and building and loan associations in the District of Columbia; and

S. J. Res. 160. Joint resolution to amend the act of March 22, 1946, for the purpose of correcting the description of the small parcel of land authorized to be conveyed to the State of Wyoming by such act.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 235)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture, amounting to \$18,500, fiscal year 1947, which, with an accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A telegram in the nature of a petition from S. Franchina, of Brooklyn, N. Y., praying for the enactment of legislation to continue the Office of Price Administration; ordered to lie on the table.

A telegram in the nature of a petition from J. A. Kountz, of Huntington Park, Calif., praying for the consideration of the question of taxes and repairs in providing for rent control; ordered to lie on the table.

A telegram in the nature of a petition from J. Bettinger, of New York, N. Y., praying for the incorporation in the price-control legislation of a provision against so-called black markets; ordered to lie on the table.

REMOVAL OF PRICE CONTROL

Mr. CAPPER. Mr. President, I have received an important telegram from the O. A. Sutton Corp., of Wichita, Kans., appealing to Congress for a free business system. I ask unanimous consent to present the telegram for appropriate reference and that it be printed in the RECORD:

There being no objection, the telegram was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

WICHITA, KANS., July 3, 1946.

Senator ARTHUR CAPPER,
Senate Office Building:

As president of the company manufacturing an article for sale throughout the United States I assure you that we will not by virtue of the removal of all OPA control take advantage of the situation of increased prices beyond that point which may be necessary due to increases in raw materials and labor. We urge you to let OPA die a natural death and give us as businessmen a chance to get back into a free business system and flood the market with an abundance of goods at reasonable prices.

THE O. A. SUTTON CORP.,
By O. A. SUTTON, President.

CONTINUATION OF THE OFFICE OF PRICE ADMINISTRATION

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement from the University of Kansas Chapter of the American Veterans Committee and a petition signed by 1,364 students and members of the faculty of the University of Kansas, asking for continuance of OPA.

The petition reads as follows:

The undersigned urgently request:

1. That the recently expired OPA program be extended until July 20, 1946.

That a new price-control bill providing effective over-all prevention against inflation be enacted immediately.

I also ask unanimous consent that following the statement and petition referred to, to have printed a radio broadcast delivered by myself on Sunday, July 7, over WIBW at Topeka, Kans., in which I trust I have cleared up some of the misunderstandings as to congressional and White House actions in connection with the ending of price and rent controls by President Truman in his veto message of June 29, 1946.

There being no objection, the statement and radio broadcast were ordered to be printed in the RECORD, as follows:

WE NEED PRICE CONTROL

AN OPEN LETTER FROM THE UNIVERSITY OF KANSAS CHAPTER, AMERICAN VETERANS COMMITTEE, TO KANSAS CONGRESSMEN

The representatives of Kansas in Congress have consistently opposed the continuation

of a workable and effective price-control program. We believe that this stand does not represent the interests and desires of the people of Kansas. It is the middle-income group, to which most Kansans belong, that will be most critically injured by the inflationary spiral which will follow the permanent abolition of price control at this time.

You who have the responsibility of representing us in Congress are wrong in assuming that we are unwilling to permit Government control of prices in order to avert the chaos of inflation. Those who remember the last war can well testify that price control in this war has succeeded in preventing the runaway prices that can lead only to inflation and depression. We are willing, under our democratic Government, to continue price control as a means of avoiding the high prices whose only result can be 40-cent wheat, dollar-a-day labor, unemployment, bread lines, and bonus lines. The war veterans of Kansas did not fight for those things; the people of Kansas do not want them.

Senator ARTHUR CAPPER, senior spokesman of Kansas in Congress, has been sent a petition signed by more than 1,200 students and faculty members of the University of Kansas. The signatures on this petition were obtained in less than 2 days; the veterans who circulated the petition report that less than 1 out of 10 desires to see the abolition of price control. We believe that these students and faculty members of the university present a fair cross section of the incomes and desires of most of the common people of Kansas. Their incomes are not large and they are fixed. They are the people who will take the worst beating when prices skyrocket with inflation; they are also the people who will take a far worse beating when prices and wages collapse with deflation and depression.

Let us have controlled price until the now-growing supply catches up with the backlog of demand created by 5 years of wartime scarcity. We who served on the many fronts of this war for 4 years do not want to see the American economy collapse about us in 1 year. We did not fight for that, gentlemen.

To the Congressmen of Kansas we say, your record on this greatest of postwar battles will be open for all to see. You will be judged by the people of Kansas on the basis of whether you do or do not act to prevent another 1929. We, as veterans who fought this war for a better America in a better world, and the people who supported us at home, will judge your competence to represent us.

The people of Kansas will do their share in avoiding inflation and depression, gentlemen; we ask that you do your share by continuing effective price control.

UNIVERSITY OF KANSAS CHAPTER,
AMERICAN VETERANS' COMMITTEE, 1,364 SIGNATURES.

LAWRENCE, KANS.

RADIO BROADCAST BY SENATOR CAPPER, STATION WIBW, JULY 7, 1946

Friends in the radio audience, I do not suppose anything I can say today will end the confusion and the confused thinking about renewal and extension of OPA price and rent controls.

But perhaps I can clear up some of the confusion as evidenced in the heavy mail I, and I think all other Senators, are getting on the subject.

Generally speaking, these letters are divided into three classes.

First, those who are convinced that OPA has messed things up to such an extent that the best solution is to abolish OPA entirely and allow the law of supply and demand to determine price levels, as ultimately it will—unless we go Russian.

Second, those who want OPA continued permanently, and the price line held without regard to production costs or anything else.

Third, those who want price controls continued for 6 months to a year, but used to get production going, and with statutory requirements for decontrolling prices as fast as possible without wild speculative inflation.

I might say that all three of these classifications—except landlords and real estate men—apparently feel that some rent controls are necessary for a year or even more. But in this field the great majority of letters written me indicate that some increase in rents over the prewar levels is justified.

Now, my friends, before we get into a discussion of the situation as I see it, let's get one fact definitely into the record.

A large number of those who are for OPA extension write letters indicating they believe that Congress killed price and rent controls.

Congress emphatically did not kill either price or rent controls.

It was President Truman, by his veto message, who killed rent controls, price controls, and subsidies at midnight last Sunday, and killed them off practically without warning.

It is all very well for the White House to declare that President Truman vetoed the OPA extension act for the purpose of getting the kind of a bill that the President felt, and Chester Bowles felt, and the Political Action Committee felt, and that a lot of consumers felt, was necessary to control effectively the sales of commodities and products and rents for the coming year.

Congress did send the White House a bill that provided for a tapering off of price controls, and of food subsidy payments, during the coming 6 months. The bill attempted to provide formulas for ending nearly all price controls by the end of this year; ending all food subsidies by next March 31.

But the measure also contained provisions by which controls could be retained, that price ceilings could be restored if necessary, if production of any commodity or product fell so far behind demand that speculative price rises were resulting.

The bill sent to the White House retained the OPA authority and machinery for retaining or restoring price ceilings wherever and whenever necessary to prevent run-away inflation. It provided for the tapering off of food-subsidy payments, so that Uncle Sam no longer would be helping pay the family grocery bill. It provided for continuing rent controls.

It was not Congress that killed OPA, price controls, rent controls, and food subsidies last Sunday at midnight.

It was President Harry Truman who did the killing. I think that fact should be kept in mind.

I might say in passing, referring back to my previous statement that the bill sent to the White House did not decontrol any commodities, that in my judgment the measure did not go far enough in that respect.

The bill passed by the Senate did specifically take away from the OPA the authority to fix price ceilings on meats, dairy products, and petroleum and petroleum products. Senator REED and myself both voted for the bill with these provisions in it. We both voted against approval of the conference report. I voted against the conference report because I wanted the measure to go back to conference again, in the hopes we at least could take from the OPA its power to put price ceilings on meats and livestock. The black market in meats had become a public scandal, and experience of months had proved to me that OPA was not competent to handle the situation, and was too pig-headed in the matter to be allowed any further control over meats.

I say again, it was President Truman, and not the Congress, which threw the Nation into chaos a week ago, and brought fear and uncertainty and even despair to millions of Americans. I admit that President Truman may have done what he did with the best intentions in the world. But the result to date certainly have been catastrophic.

Now let's get down to brass tacks on this matter of prices, wages, production and consumption, and inflation.

As soon as we entered the war—even before that time—it was evident that during the war emergency some forms of price controls and rationing of scarce supplies were necessary. Prices already were on the way up in 1941. So were wages in industry, factory wages, some other wages.

It was plainly evident that when the Government was spending—about to spend at the time I am speaking—some \$50,000,000,000 a year more than it could or would collect in taxes, that price controls, rationing, and wage stabilization would be needed to avoid disastrous inflation; to delay price rises that were bound to come with the more rapid making of dollars than making of goods for which the dollars could be exchanged.

It is almost elementary, I think, that when dollars are made faster than goods are made, the dollars become cheaper in relation to goods, and goods become dearer in relation to dollars. I am afraid sometimes that too many people in this country are trying to dodge this very obvious fact—and some of these people are in high public life and really know better.

To make price controls effective against a serious postwar inflation, wages also should have been stabilized, as well as rents. The Congress, I think, was willing to have done this: Mr. Bernard Baruch recommended it. An amendment to put in controls clear across the board was offered in Congress, but was defeated by administration influence. The late President Roosevelt said, and I think he believed, that if Congress would authorize price and rent controls, and give him an agency with power to enforce these, that he would handle the problem of wages through a wage stabilization board—and through his own persuasive ways with labor leaders.

At any rate, Congress passed another one of those lopsided laws, under White House pressure, and the Government proceeded to pour out dollars, pay food subsidies to help make people believe the price line on goods was being held, and allow wage increases to members of powerful unions, withhold wage increases to other workers. The volume of currency in circulation increased three times—from less than \$9,000,000,000 to more than \$28,000,000,000—in the war years. Bank deposits increased at about the same rate. The country bulged with purchasing power, but not with goods that could be purchased.

The program was pretty effective—in fact very effective so far as holding prices down was concerned—during the war. But when the war came to an end, here is what had happened in the economic field in the United States.

Statistically, the dollars and cents increase in the cost of living had increased about 33 percent between January 1, 1946, and VJ-day. But average hourly wage rates of factory labor had gone up more than 60 percent. Farm labor had followed the same pattern. In other words, labor costs had gone up 60 percent. As Senator TAFT pointed out in the Senate, and I believe also in a radio broadcast, this did not affect particularly the big companies with large war contracts. But what it did to the small manufacturers, to the little businessman, was something else again.

Then after VJ-day nearly all ration controls were removed—long before production for civilian use could get going strong enough to meet the demands of well-filled pocket-books. Also somebody or something sold President Truman on the theory that wages could go up another 25 percent without affecting prices. Of course the administration had to desert this policy as soon as it got going—the Government had to allow increases in steel prices (\$5 a ton or better) to offset the 18½ cents an hour increase in wages the Government had forced employers to agree to. Coal prices had to be increased

to meet increased wage rates for the coal miners. Actually, OPA itself has had to allow some 500 increases in prices since March 1. But most of these came rather late, only after an aroused Congress had served notice on OPA of its intention to limit OPA's power to regulate profits under the guise of holding down prices.

It was, and is, inevitable that the country had to, and has to, move to a dollars-and-cents price level considerably higher than it was before the war. And that the wage levels also would have to move up to meet the higher price levels plus the heavy war taxes that will have to be levied for years and years to come.

The Congress tried to make it possible through continuing OPA for another year, with price- and rent-control powers (but with requirements by law that these be used to bring about more production and make a gradual but steady approach toward the higher price and wage levels), so that the transition period would be made easier all around. Sooner or later ceiling prices are going to have to be determined so as to allow for increased production costs, to insure production during the transition period. Congress tried to give the country an extension act that would accomplish this in an orderly manner. And the OPA would and should have controls sufficient to stop speculative rises in prices.

What I am afraid has happened is that the President, through his hasty and, I think, ill-advised veto that so alarmed the people, has made the transition period not only more difficult but also more dangerous. As the situation stands today the people themselves, both as producers and consumers, have got to exercise sound judgment and common sense in bridging the gap that still exists between demand and supply, when they should have had the help of their Government during this period.

INVESTIGATION OF FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS REPORT OF A COMMITTEE

Mr. MORSE. Mr. President, on July 3 I submitted Senate Resolution 300, to investigate Federal grants to State and local governments for welfare, education, and health programs. Following a study of the resolution, I am pleased to report that the Committee on Education and Labor, by unanimous vote, approved the resolution without change. Therefore I ask unanimous consent, from the Committee on Education and Labor, to report the resolution, and I submit a report—No. 1668—thereon.

There being no objection, the report was received, and, under the rule, the resolution was referred to the Committee To Audit and Control the Contingent Expenses of the Senate.

BILL INTRODUCED

Mr. ANDREWS, by unanimous consent, introduced a bill (S. 2419) relating to the authority of the Secretary of the Treasury to exchange sites at Fort Lauderdale, Broward County, Fla., for Coast Guard purposes, which was read twice by its title and referred to the Committee on Public Buildings and Grounds.

SALARIES OF CERTAIN JUDGES— AMENDMENT

Mr. WAGNER submitted an amendment intended to be proposed by him to the bill (S. 920) to fix the salaries of certain judges of the United States, which was ordered to lie on the table and to be printed.

EXTENSION OF PRICE CONTROL—
AMENDMENTS

Mr. MOORE submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was ordered to lie on the table and to be printed.

Mr. MOORE (for himself, Mr. THOMAS of Oklahoma, Mr. REED, Mr. CAPPER, Mr. O'MAHONEY, Mr. ROBERTSON, Mr. EASTLAND, Mr. O'DANIEL, Mr. WILLIS, and Mr. McCLELLAN) submitted an amendment intended to be proposed by them jointly to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was ordered to lie on the table and to be printed.

Mr. RUSSELL (for himself and Mr. MAYBANK) submitted an amendment intended to be proposed by them, jointly, to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was ordered to lie on the table and to be printed.

FURTHER EXTENSION OF TIME FOR
FILING PEARL HARBOR REPORT

Mr. BARKLEY. Mr. President, I ask unanimous consent to submit a concurrent resolution and request its present consideration.

The PRESIDENT pro tempore. The concurrent resolution will be read.

The Chief Clerk read the concurrent resolution (S. Con. Res. 70), as follows:

Resolved by the Senate (the House of Representatives concurring), That the time for filing the report of the Joint Committee to Investigate the Pearl Harbor Attack be, and it is hereby, further extended to July 16, 1946, inclusive, and that the powers and functions of the said committee be, and the same are hereby, also extended to said date.

The PRESIDENT pro tempore. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

PEACE GOALS—ADDRESS BY SENATOR
AUSTIN

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an address entitled "Peace Goals," delivered by him at a dinner of the Foreign Policy Association at the Waldorf-Astoria Hotel, New York City, on June 26, 1946, which appears in the Appendix.]

CONFERRING OF DEGREE OF DOCTOR OF
LAWS ON PRESIDENT TRUMAN—AD-
DRESSES BY CARDINAL SPELLMAN,
PRESIDENT TRUMAN, REV. ROBERT I.
GANNON, AND MAYOR O'DWYER

[Mr. MEAD asked and obtained leave to have printed in the RECORD addresses delivered by President Truman; by His Eminence, Francis Cardinal Spellman; by Rev. Robert I. Gannon, S. J., president of Fordham University; and by Hon. William D'Wyer, mayor of New York City, on the occasion of the conferring of the honorary degree of doctor of laws upon President Truman by Fordham University, on May 11, 1946, which appear in the Appendix.]

ADDRESS BY PETER J. SCHARDT AT CON-
VENTION OF NATIONAL ASSOCIATION
OF POSTAL SUPERVISORS

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by Peter J. Schardt, chief, postal section, United States military government of Germany, at the convention of the National Association of Postal Supervisors, at Chicago, Ill., on May 29, 1946, which will hereafter appear in the Appendix.]

THE CONSCRIPTION RUN-AROUND—
ARTICLE BY SENATOR LA FOLLETTE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article entitled "The Conscription Run-Around," written by him and published in the Progressive of June 17, 1946, which appears in the Appendix.]

THE SILVER BLOC—ARTICLE BY WADE V.
LEWIS

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD an article entitled "The Silver Bloc," by Wade V. Lewis, of Boulder, Mont., which appears in the Appendix.]

THE MISSOURI VALLEY AUTHORITY—
EDITORIALS BY JONATHAN MARSHALL

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD two editorials relative to the proposed Missouri Valley Authority, written by Mr. Jonathan Marshall, and published in the newspaper The Silver and Gold, which appear in the Appendix.]

NO SECRET BOMB DEALS—EDITORIAL
FROM THE WASHINGTON TIMES-HER-
ALD

[Mr. MOORE asked and obtained leave to have printed in the RECORD an editorial entitled "No Secret Bomb Deals" published in the Washington Times-Herald of July 8, 1946, which appears in the Appendix.]

EXTENSION OF PRICE CONTROL

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The PRESIDENT pro tempore. The committee amendment, being in the nature of a substitute for the joint resolution, is open to amendment to the same extent and in the same manner as if it were the original text.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McCarran
Andrews	George	McClellan
Austin	Gerry	McKellar
Ball	Gossett	McMahon
Barkley	Green	Magnuson
Bridges	Guffey	Maybank
Briggs	Gurney	Mead
Brooks	Hart	Mitchell
Buck	Hawkes	Moore
Burch	Hayden	Morse
Bushfield	Hill	Murdock
Byrd	Hoey	Murray
Capper	Huffman	Myers
Carville	Johnson, Colo.	O'Daniel
Chavez	Johnston, S. C.	O'Mahoney
Cordon	Kilgore	Overton
Donnell	Knowland	Pepper
Downey	La Follette	Radcliffe
Eastland	Langer	Reed
Ferguson	Lucas	Revercomb

Robertson
Russell
Smith
Stanfill
Stewart
Swift
Taft

Taylor
Thomas, Okla.
Thomas, Utah
Tobey
Tunnell
Wagner
Wherry

White
Wiley
Willis
Wilson
Young

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Massachusetts [Mr. WALSH] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Indiana [Mr. CAPEHART] is necessarily absent.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] is necessarily absent.

The PRESIDING OFFICER (Mr. HOEY in the chair). Seventy-nine Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, I wish very briefly to explain what has happened in relation to this proposed legislation. The bill which was adopted by the two Houses in the form of a conference report from the committee of conference of the two Houses, was vetoed by the President for reasons which he set forth in his veto message. Following that the House of Representatives passed a joint resolution (H. J. Res. 371) which in substance extended the operation of the Stabilization Act and the Price Con-

trol Act for a period of 20 days, or until the 20th day of July, with the view that in the meantime the two Houses might be able to work out another bill which might receive the approval of the President and extend the operation of the law for another year from June 30, 1946.

In considering the matter, the Banking and Currency Committee of the Senate felt that the wise policy and the better course would be to try to write a bill at once instead of dealing with the temporary extension for 20 days to pass, which might or might not take as long as it would to deal with an entirely new measure; and after that temporary extension had been voted we would still have the problem of attempting to write another bill. So the Senate committee struck out all the language of the House joint resolution, and has reported a substitute which embodies the bill which the President vetoed, without change except in two or three particulars.

The joint resolution as reported carries the decontrol board as it was contained in the bill adopted by the two Houses. It carries the provision with respect to the responsibility of the Secretary of Agriculture in recommending to the Price Administrator the decontrol of agricultural products or the adjustment of prices on agricultural products. It carries the abolition of the so-called maximum average price, known as MAP. It carries the provisions of the vetoed bill pertaining to cotton textiles and wool textiles. In other words, the joint resolution is practically identical with the bill which was previously passed, with the exception of section 11, which contained the so-called Taft amendment, and subsection (t) of section 10 which contained the so-called Wherry amendment.

In the substitute which I offered for the House joint resolution I omitted altogether section 11 and subsection (t) of section 10, because those provisions with respect to the pricing formula were the ones against which the President in his veto message expressed his most decided disagreement. In order that that portion of the measure to which he disagreed so vehemently might be omitted from the legislation, I left those two provisions entirely out of the joint resolution which I proposed as a substitute for the House joint resolution.

In consideration of the matter before the committee efforts were made to write a new section 11 by modifying the Taft amendment so as to carry what might seem to be a reasonably satisfactory compromise between the view of the Congress, as expressed in section 11, and the view of the President, as expressed in his veto message, and the same was true with respect to the Wherry amendment. They were referred to in the President's message as the Taft and Wherry amendments, because they were more easily identified by reason of that designation, and in the committee and in the Congress the reference has been made to the Taft and Wherry amendments, because we all understood what they were, and it was more easy to identify them in that way than to refer to section 11 or subsection (t) of section 10 of the measure.

The committee met 3 or 4 days trying to work out section 11 and subsection (t) of subsection 10. The committee has reported a new section 11. My only purpose in taking the time of the Senate now for a very brief period is to draw its attention to the difference between the original section 11, as it was contained in the bill which was vetoed, and the one the committee has now reported to the Senate.

The discussion with respect to the OPA has been gone over time and time again, and at great length; in the Senate and in the committees of the two Houses. So far as I can, I wish to facilitate the discussion of the new measure by avoiding any repetition or thrashing over of old straw in the consideration of the joint resolution which is now before the Senate.

I think all of us, regardless of our attitude on the joint resolution or any part of it, recognize that if there is to be a renewal or extension of price control it ought to be done as promptly as possible, so that the hiatus between the operation of the old law and the enactment of the new law will be as short as possible. We have already seen the result of 1 week's operation without any price control. I shall not now enter into a discussion of figures or statistics in regard to increase in prices during the past week. The truth is that during the consideration of this subject I have grown almost tired of statistics and figures. One can find statistics to justify almost any argument on any subject, depending on where he obtains the statistics and what interpretation he places upon them. But if we take only the news reports in the daily press as to what has taken place during the past week—many of which I have on my desk, but which I do not intend to refer to at this time—the need for the resumption of controls at the earliest possible date is emphasized.

The original section 11, which was discussed at length in the President's message, which I shall not read because it was read to the House of Representatives and has been before us for more than a week, provided, as it was agreed to in conference and incorporated in the bill which was vetoed by the President:

The Emergency Price Control Act of 1942, as amended, is amended by inserting after section 5 thereof the following new section: "Sec. 6. (a) Notwithstanding the provisions of this act or the Stabilization Act of 1942, as amended, but only after the procedure prescribed in subsection (d) hereof"—

That is the subsection which provides that industry advisory committees may make application to the Administrator. It provides the machinery under which they may do so. The substance of it is retained in section 11 of the pending measure, because it was necessary to provide, if the standard set out in the section were to be applicable, that someone should make application. Both in the original section 11 and in the modified section 11, provision is made that the appropriate industry committee having to do with the commodity or product as to which the formula is sought to be applied, shall make application to the Administrator. Furthermore, in both is

a provision that the Administrator shall act within 60 days, and that if he does not act within 60 days the industry committee may go to the Emergency Court of Appeals for relief, and the Emergency Court of Appeals may order the Administrator to comply with the request or petition for an increase in price under the new formula, and give the Administrator not more than 30 days in which to comply. If he has not complied after the end of that 30-day period, price control, insofar as the commodity involved in the petition is concerned, is at an end, and any price which the industry may see fit to impose after the expiration of those two periods is not an unlawful price. Those provisions are practically the same in both the old and the new section 11.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HAWKES. The Senator has stated that if the Administrator refuses to act in any way, the industry committee may go to the Emergency Court of Appeals. Suppose he does act, and says "No." What definite redress has the party then?

Mr. BARKLEY. Under the law as it existed, an appeal could be taken to the Emergency Court of Appeals.

Mr. HAWKES. In the Senator's opinion, how long a time would be required to decide such a case?

Mr. BARKLEY. My recollection is that the Emergency Court of Appeals is not limited as to the time within which it must decide.

Mr. HAWKES. It might require several months.

Mr. BARKLEY. That is possible. What we attempted to do in the original bill, and what we have attempted to do in the revised measure, is to bring about speed in decision. So, whether the Administrator refuses to grant the petition or whether he simply sits and does nothing, the petitioner—the industry committee—may go to the Emergency Court of Appeals, and the Emergency Court of Appeals would have the power, under that provision, to command the Administrator to do something—either grant or deny the petition—and if he does neither within 30 days, the industry itself may fix the price.

Mr. HAWKES. The statement of the Senator is that if he denies the petition, then the aggrieved party has the right to go immediately to the Emergency Court of Appeals.

Mr. BARKLEY. That is the remedy under the old law.

Mr. HAWKES. I think it is most important that whatever is done to the party who thinks he is aggrieved should be done within a reasonable length of time. Does the Senator feel that the measure now presented would give the aggrieved party redress within 90 days, or does the Senator feel that the time required might be longer?

Mr. BARKLEY. It is hardly possible, under any new formula which would require a new approach to the question of prices, for the Administrator, in view of the number of applications which might be filed, to act on all of them immediately. Therefore, we have allowed 60

days in each case. I will say to the Senator from New Jersey that the applications would not all be filed on the same day. Each application filed by an industry committee would date from the date of its filing, and the Administrator would have 60 days within which to act. If he neither granted nor denied the petition, the applicant could go directly to the Emergency Court of Appeals, and the Emergency Court of Appeals would then have the power to order the Administrator, within a period of not more than 30 days, to take action. If he did not take action, then, of course, at the end of that period the prices fixed by the industry involved would be lawful prices.

Mr. HAWKES. I do not know whether I have made myself perfectly clear. What I am trying to find out is this: If the Administrator refuses the request, in the Senator's opinion, can the aggrieved party obtain prompt redress and prompt consideration from the Emergency Court of Appeals?

Mr. BARKLEY. The pricing formula which has been in existence from the beginning, and which established the Emergency Court of Appeals, provided for remedies regardless of the formula. The remedy applies not only under the new formula but to any ordinary application.

Mr. HAWKES. I realize that; but I am asking the Senator how long, in his opinion, such a procedure would require. Would it require 120 days or 150 days? If so it might be fatal.

Mr. BARKLEY. There would be no uniformity in the length of time the Emergency Court of Appeals might take to act, although it is required to act promptly.

Mr. HAWKES. In other words, we must rely on the word "promptly."

Mr. BARKLEY. My recollection of the old law is not that it carried a time limit for the action of the court of appeals, although I might be in error about that.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Since the Senator has been interrupted, I should like to ask him a question. As I understand the matter, the Senator from Kentucky is now proposing a measure which is exactly the same as the bill which was passed by the two Houses of Congress, with two exceptions, namely, section 11 and subsection (t) of section 10. Is that correct?

Mr. BARKLEY. I think so.

Mr. TAFT. In that respect the Senator is entirely disregarding the recommendations of the President and the objections of the President as to matters other than those two sections or subsections. Can the Senator from Kentucky tell us why he is making that distinction?

Mr. BARKLEY. The joint resolution speaks for itself. I have said from the beginning, and there is no secret about the fact, that the joint resolution is exactly the same as the bill which was vetoed, with the exception of these two main provisions as to which the President made objection, and also a provision with respect to the interim between the expiration of the old law and the new law.

Mr. TAFT. The pending measure includes all the amendments referred to by Mr. Bowles as booby-trap amendments, I believe.

Mr. BARKLEY. It includes all the amendments and all the provisions, with the exception of these two particular sections which have been changed.

Mr. TAFT. It occurs to me that Congress, after 6 weeks of debate, decided what it wished to do. I cannot understand why the Congress should not take the same position, now that the President has taken the position, "I would rather have nothing than this law," and now that it is a question of a new law, so to speak. If we have decided what is right, why should not we adhere to all of it completely?

The Senator from Kentucky does so with respect to all of the old bill except two amendments. But if we believe in our position, why should not we leave it to the President to say that he prefers nothing to that law?

Mr. BARKLEY. Of course, Mr. President, the Senator from Ohio is asking a hypothetical question. In order to obtain legislation upon any subject, the Congress and the President of the United States must get together. The President is, just as much a part of the legislative process as is the Congress. Under the Constitution he has the right to approve or disapprove legislation; and when he disapproves legislation, it can become law only by having two-thirds of both Houses of Congress pass the measure again, notwithstanding the objections of the President.

I did not agree with the President, as everyone knows, in regard to his veto of the bill which the Congress sent to him. Everyone knows that I urged him to sign that bill. But the President exercised his own judgment in regard to it. He exercised a Constitutional duty, if he felt that it was his duty to veto the bill. Now the House of Representatives has sustained his veto. So we are confronted with a problem of trying to write something which will continue these controls under a measure which will have reasonable prospects of receiving the approval of the President.

I have tried to work out such a measure. I have not made many changes in the original measure, I say to the Senator from Ohio, as he knows. I was in favor, in the first place, of the Decontrol Board. Provision for it was made under an amendment which I originally offered in the committee, when the previous bill was before the Senate committee, after it had been passed by the House of Representatives. It was my judgment that the provision authorizing the Secretary of Agriculture, in substance or in fact, to have control of agricultural products by means of a monthly certification to the Price Administrator with respect to agricultural products which were in short supply, was a good provision. Although the President criticized those things, in a way, I do not think he objected seriously to the provision for the Decontrol Board. He did object to the double authority on the part of the Administrator and the Secretary of Agriculture; but the objections which he urged were not so vehement or appar-

ently not so pointed in respect to those things as they were in respect to the provisions which I have undertaken to change. I felt that there was a fair prospect that the President would approve the measure which I have brought to the Senate. I felt that way without consulting him about it, because I did not consult him about it before I indicated that I felt there was a fair prospect that it would be approved, and therefore I brought in the joint resolution as I have brought it in. I felt that the fewer changes we could make in what the Congress had done, and at the same time try to meet the President's objections, the wiser we would be in undertaking to obtain legislation, if we wished to have any legislation at all on the subject. For the Congress to have rewritten word for word, without any change, the bill which the President vetoed, and send it back to him again in that form, would have been, it seemed to me, an attitude of intransigence on the part of the Congress which would not be justified.

Mr. TAFT. What does the Senator from Kentucky think of the President's attitude of intransigence in this matter?

Mr. BARKLEY. Not any more in this case than in any case where the President vetoes a measure.

Mr. TAFT. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The President in his message stated four requirements. There is no indication as to their relative importance, so far as I can see. The first provides for a full year. We have provided for a full year.

The second one is that the bill should authorize adequate subsidies and continue them until the first of next July, and at least \$250,000,000 more than we are now providing. The Senator from Kentucky is disregarding that point. Does he think the President will eat his words, so to speak, and sign the joint resolution, even though that provision is not included?

Mr. BARKLEY. I shall say, with the same reservations as before, that I am very hopeful that he will sign the joint resolution.

Mr. TAFT. Does the Senator think the question whether the President would veto a bill should be the primary consideration before the Congress in connection with reaching a determination as to what the price-control policy should be?

Mr. BARKLEY. Ordinarily, no. But when the President has vetoed the bill and has stated his objections, it seems to me to be reasonable to try to meet the objections.

Mr. TAFT. Does not the Senator from Kentucky think that this a peculiar case—namely, one in which the law has expired and in which there is to be a new law? We are now considering a new law reimposing control. Does not the Senator from Kentucky think that the Congress should be the primary body to determine what that should be, and that the President should be the one to decide whether he wants nothing or the law which the Congress passes?

Mr. BARKLEY. I think it is the duty of every agency of the Government which,

under the Constitution, is required to deal with legislation, to try to come to an accommodation; and that includes the President of the United States. I would say that primarily it is the duty of Congress to pass legislation. But after a measure has been passed by the Congress and has been sent to the President, it is then the President's primary duty to decide, under the Constitution, whether he will approve or disapprove it. When he disapproves a measure and when there is a fair prospect that the two ends of the legislative process may be able to come together, it is the duty of both to endeavor to do that. That is what I am attempting to do in the present case, recognizing the fact that the Congress has the legal and constitutional right to send back to the President precisely, word for word, what he vetoed a few days ago, if it should see fit to do so. But in all frankness, Mr. President, I do not think it would be in accordance with the standards of good legislation on the part of the Congress, for the Congress to do that, in order, as the Senator from Ohio has said, to require the President to eat his words or not to eat them.

Mr. TAFT. The President is saying that we must eat our words or not eat them.

Mr. BARKLEY. No; the President has not said anything about having us eat our words.

Mr. TAFT. Then I have misunderstood the President's message.

Mr. BARKLEY. And I say that under this joint resolution we are not eating any of them.

Mr. TAFT. Mr. President, the Senator noticed that the third requirement which the President made was that he approved of the provision for the Price Control Board, "provided that the standards were modified to make sure that, during the next crucial 6 months, ceiling do not have to be lifted where it is clear that serious price rises would result."

The Senator has not modified in that regard the provision on that subject which is contained in the joint resolution he is now advocating, I take it.

Mr. BARKLEY. The joint resolution speaks for itself, and the Senator from Ohio can read.

Mr. TAFT. I agree. It is clear that the Senator from Kentucky is saying, "I will not follow the President on that question." The Senator from Kentucky insists, as I insist, that during the next 6 months, ceilings must be lifted if there is an adequate supply, even though price increases or serious price increase may result. That is what the bill provided.

The President disapproved of that. The Senator from Kentucky is willing to go against the President on that; but he picks out some provision and says, "If we change this, I think the President will sign the bill." Has the Senator any reasonable basis on which to conclude that that is going to be the result of this new action which is being proposed?

Mr. BARKLEY. Insofar as I have rewritten the bill which the President vetoed, if the Senator wishes to put it in that way, I have disregarded the President's objections to those other parts of the bill to which he called attention in

his veto. If that is worth anything to the Senator from Ohio, he is welcome to it.

Mr. TAFT. I think the President said that he would rather have nothing than the bill which Congress passed. Presumably, he would veto the bill if we passed it again.

Mr. BARKLEY. The Senator read the President's veto and he knows what the President said.

Mr. TAFT. I feel that if the choice is between the kind of price control which we have had, and nothing, I am for nothing. It seems to me that that is a perfectly reasonable attitude for Congress to take.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MAGNUSON. Before leaving the subject of decontrols, I understand that the measure which has been reported by the committee provides that the matter of agricultural products shall be turned over to the Secretary of Agriculture. In the case of livestock and meats, for example, what would be the process to be followed by those industries in an attempt to effect decontrol? I refer to the mechanics which may be involved.

Mr. BARKLEY. So far as the provision to which the Senator refers is concerned, the bill, as originally drawn, and as the President vetoed it, is identical with the pending joint resolution. No change has been made at all. Under that provision the Secretary of Agriculture is given authority, within substantially 30 days after the measure becomes effective, to certify to the Price Administrator whatever agricultural product is in short supply. He is required to do that every month. Any product which he fails to certify as being in short supply goes out from under price control. The Secretary of Agriculture is authorized to recommend to the Price Administrator adjustments in prices. The Administrator is required, under the provisions of the joint resolution, to carry out the recommendations of the Secretary of Agriculture. Therefore, if the Secretary of Agriculture should certify to the Administrator 40 articles which are in short supply, we will say, all other articles not in short supply would go out from under price control and the 40 would remain under price control until the Secretary certified during another month, or in the following month, that they were no longer in short supply. Whenever the Secretary of Agriculture makes a certification to the Price Administrator that any agricultural commodity is no longer in short supply, the Administrator is required to lift price control from the particular article.

Mr. MAGNUSON. Then, during any 30-day period following the enactment of this measure if the Secretary should certify that meat, for example, was not in short supply, it would be decontrolled.

Mr. BARKLEY. Yes.

Mr. MAGNUSON. What would be the mechanics by which the meat industry would prove its point? Would the industry appear before the Secretary?

Mr. BARKLEY. The Advisory Committee would appear before the Secretary of Agriculture for the purpose of making

whatever recommendations it felt justified in making with regard to the supply of and demand for meat. The committee would make its showing before the Secretary of Agriculture. If the Secretary became convinced, either from the showing made by the Advisory Committee, or from information available in his Department, or otherwise, that meat was no longer in short supply, he would so certify to the Price Administrator and meat would be decontrolled.

Mr. MAGNUSON. Mr. President, I have two more questions, if the Senator from Kentucky will yield to me.

Mr. BARKLEY. I yield.

Mr. MAGNUSON. If the joint resolution became law, the agricultural and dairy people would have no more to do with the Office of Price Administration. In other words, it would be perfunctory with the Office of the Administrator if the Secretary of Agriculture so certified.

Mr. BARKLEY. In a sense it would be perfunctory. The Administrator would be required to carry out the recommendations not only of the Secretary of Agriculture in reference to decontrol but also with reference to the matter of price adjustment. If the Secretary of Agriculture recommended to the Administrator an increase in the price of a particular product, the fixing of the ceiling would be perfunctory so far as the Administrator was concerned.

Mr. MAGNUSON. So it is entirely possible that within 30 days after the passage of this bill, and the signing of it by the President, and upon a proper showing that products such as meat and dairy products were not in short supply, they could be decontrolled?

Mr. BARKLEY. Absolutely.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MURDOCK. In line with the question of the Senator from Washington, I think it should also be pointed out that, notwithstanding the fact that a product may be in short supply, if the Secretary of Agriculture finds that the prices as fixed are impeding or interfering with the production of the article, and recommends an adjustment be made in its price in order to stimulate production, the Price Administrator must carry out the recommendation.

Mr. BARKLEY. Oh, yes. The Price Administrator is charged with the responsibility of recommending increases in ceiling prices on any agricultural product if he feels it is necessary to stimulate the production of the particular product, notwithstanding, as the Senator from Utah has said, the product may be in short supply. The Administrator is required to impose such increases in prices that the Secretary may recommend.

Mr. MAGNUSON. In other words, agricultural products have been "de-Bowled" from the bill. Am I correct?

Mr. BARKLEY. Yes; I suppose it may be said that all products have now been "de-Bowled" by the resignation of Mr. Bowles. So far as final action with regard to agricultural products is concerned, they have been "de-Portered" also.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GEORGE. What is meant by the word "supply," which the Senator has been discussing? Does it mean when the supply equals the demand, or when the Secretary certifies that the product is not in a short supply? What is meant by "supply"? Does it mean the total supply of the country, or the supply actually coming into the market?

Mr. BARKLEY. What is meant is the total supply available to the American people.

Mr. GEORGE. Does that mean the total supply available in the country, such as in the case of meats? Does it mean the supply available in the butcher shops?

Mr. BARKLEY. If I may be permitted to put my own interpretation on it, I would say that it means the supply, as a whole, of cattle in the field, slaughtered cattle in the shops, or on the market. If there is enough meat, or enough cattle to provide meat for the American people, I would say it is not in short supply, although there may be none in some particular grocery store or butcher shop.

Mr. GEORGE. There might not be any in any particular grocery store or butcher shop, as has been the case until quite recently pretty generally through the country.

Mr. BARKLEY. There is no way by which Congress can compel farmers to sell their cattle to packing houses or slaughterhouses.

Mr. GEORGE. I think it is very important to know what is meant by "supply." If the Secretary of Agriculture is to certify that certain articles are not in short supply, that is, that the supply is equal to the demand, I think it is highly important to know what is meant by "supply." We should know whether it means that there is a total supply in the country which would be adequate, or whether it means that in looking at the product in the market places themselves there is or is not a marketable supply.

Mr. BARKLEY. In my judgment the certification of the Secretary of Agriculture contemplates the entire country. It is not a regional certification. It would not be a certification that there is a shortage in Washington or in the District of Columbia but a certification that is intended to cover the supply of the entire country. The matter of its distribution may be another question which will have to arise. But my interpretation of this language is that whenever the Secretary of Agriculture finds that in the country there is a sufficient supply of any agricultural product to meet the demand for it among the people, it is no longer in short supply, and therefore he would be expected and required under the language of the joint resolution so to certify.

Mr. MAGNUSON. Mr. President, I dislike to interrupt the Senator, but will he yield for a further question?

Mr. BARKLEY. I yield.

Mr. MAGNUSON. The meat producers, I presume from the testimony I have listened to before the Agricultural Committee and from other data, will

probably come to the Secretary of Agriculture immediately, if this joint resolution is passed, with figures and show that the supply of meat in the country—that is the range supply, the number of cattle on the hoof—is greater than the so-called domestic demand. The joint resolution states specifically domestic demand, not imports, which are not included in the calculation—and that is also a good feature of the joint resolution. In the opinion of the Senator from Kentucky what would govern would be, would it not, the over-all supply, including that on the hoof, that moving in the packing houses, and that also in wholesale and retail shops.

Mr. BARKLEY. The entire supply of cattle in the shops, in the packing houses and on the farms. We have been told by the Secretary of Agriculture and by everyone else who is in a position to know that there are 10,000,000 more head of cattle in supply on the ranges and being fed than ever before, and, certainly, with that situation in prospect we are bound to assume that the the Secretary of Agriculture in certifying whether the meat situation is in short supply, will take into consideration all these factors—not whether there was no meat in any butcher shop or in any town but if in the United States there was sufficient to supply the domestic demand it would not then be in short supply.

Mr. MAGNUSON. One further question, and then I shall be through. If the Secretary of Agriculture, for example, after getting all the data and the figures in any one month, should say that meat was still in short supply, would there be an appeal from his decision?

Mr. BARKLEY. Yes. Yes, there can be an appeal to the Decontrol Board from the decision of the Secretary of Agriculture, just as there can be an appeal from the Administrator himself to the Decontrol Board if the Administrator refuses to act.

Mr. MAGNUSON. And he must act within a certain definite period?

Mr. BARKLEY. That is true. The same rule applies to the Secretary of Agriculture that applies to the Administrator, and the same remedy applies from him to the Decontrol Board that applies from the Administrator to the Decontrol Board.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WILLIS. After the Secretary of Agriculture has declared in the case of any commodity that there is a sufficient supply and removes the control, can he again restore control at a later period?

Mr. BARKLEY. Yes, that is true. Both measures, the one the Senate passed some days ago, and this one provide that if at a later date there should be a scarcity and the Secretary shall so find and certify, controls may be reimposed for such period as there is a shortage.

A new section 11 which has been inserted in the pending joint resolution I wish to read:

(a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

The President objected to the base period of 1941, because, as he said, it was a period of high prices and high profits of industry. We had gone further into the war, although we ourselves had not as yet become involved in it; but it was still further from September 1939 to October 1 to 15, 1941, than it was 1940. So that in the new measure the base period is changed from 2 weeks of October 1941 to the calendar year 1940, or to the fiscal year 1940 for companies or industries which operate on a fiscal-year basis rather than on a calendar-year basis.

(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment—

It was sought to tie together employment and production—

(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period—

That is during 1940—

plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period,—

That is since 1940—

but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

In other words, the standard set out in this subsection will be complied if the price fixed represents the average total cost of the product in its manufacture, production, or processing, plus the industry's average over-all profit margin on sales in the base period, plus the same profit margin which the industry enjoyed in the base period.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. I yield.

Mr. AIKEN. Was there any evidence introduced before the committee to show how the price level of goods in June would compare under the standard with the price level which was existing on the 30th of June under the old OPA Act?

Mr. BARKLEY. No new testimony was heard by the committee in writing this new legislation, but there was a table submitted to the committee by a member of the committee showing the relative results from a period as far back as 1935 up to 1941, which indicated that the profit from turn-over in 1940 was, roughly, 8 percent, and in 1941, 12 and a fraction percent, and the profit from net worth in 1940 was 12 or 13 percent; in 1941 it was 23 percent plus. So there would be that difference.

Mr. AIKEN. Does the Senator from Kentucky believe that the adoption of this formula would result in a generally higher price level than existed the last of June?

Mr. BARKLEY. Yes; I think there would be an increase. As I said when the previous measure was before the Sen-

ate, regardless of what it contained, regardless of any effort which might be exerted there would be gradual increases. We are bound to assume there would be a gradual increase in prices. What we have been seeking to do is to control them so that they will not be too great. There will be undoubtedly under this formula increases in prices. How much the increase will be, of course, I cannot say; but I think the formula now proposed fixes a fairly just and equitable period for industry and for consumers, and that is the year 1940.

Mr. AIKEN. I thank the Senator.

Mr. BARKLEY. Subsection (c) provides:

For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including reasonable adjustments for conditions resulting from abnormal volume of production.

That language is in part substantially the language in the bill which the President vetoed. In that bill authority was given to take a reasonable number of typical producers, manufacturers, or processors, instead of having to take everybody and everything—to take a sample of producers, processors, and manufacturers who were regarded as typical, and use that as a basis for calculating costs of production in the base period, and currently, during the year in which the bill was supposed to operate.

The last clause reads, "including reasonable adjustments for conditions resulting from abnormal volume of production." In other words, if a concern or an industry, deliberately held down production in order to raise the cost of production, the Administrator would have the right to take that into consideration in determining with respect to ceiling prices.

How many industries would do that I have no way of knowing, but it was felt that if any industry did that, or if for any reason abnormally low output was the result of production at all, so as to increase the over-all or per unit cost of the product being turned out, the Administrator could take that into consideration in determining what the price ceilings should be, or the elements of cost. As in the case of the bill which was passed, so in this joint resolution the Administrator is instructed to follow accepted methods of accounting in the industries involved.

Subsection (d) provides:

Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

In other words, in the fixing of maximum prices there is not a guaranty to every individual engaged in any industry, however inefficient he may be, with respect to his costs or his profits.

Subsection (e) provides:

Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act.

That has been the law. The Administrator could make reasonable adjustments to individuals under subsection (c) of section 2.

Subsection (f) provides:

If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

In other words, the increase in price ceilings based upon cost of production in a base period, and currently, is tied in with the stimulation of production, and the greater production becomes by reason of that stimulation the sooner there will be decontrol because of the demand and supply being in balance.

Subsection (g) provides:

As used in this section, "product" shall mean any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or article shall be considered as one product.

That is the same definition of "product" as was originally used.

Subsection (h) provides:

The provisions of this section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

There is another provision in the bill dealing with products coming from wool and cotton yarns, and they are not dealt with in this section.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Before the Senator enters upon the discussion of nonagricultural commodities, I should like to call his attention to the effect of the provision found on pages 6 and 7 under subsection (c). I suggest to the Senator that the language there is so written as to enforce upon the Secretary of Agriculture a vast amount of work which, in my opinion, is unnecessary.

Under the provisions of the joint resolution, the Secretary of Agriculture must on the first day of each month certify the entire list of agricultural commodities that are in short supply. In the interest of efficiency, and in the interest of relieving the Secretary of work, and to make the matter more simple, I suggest that the form of the language be inverted, and in place of providing that he shall certify all commodities in short supply, change the language to read somewhat as follows:

On the first day of the first calendar month which begins more than 30 days after the date of the enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity—

And insert there the words "if any"—if any, which such Secretary determines to be in surplus supply:

That would relieve the Secretary of Agriculture of making any certificate unless he found or was convinced a commodity was in surplus supply. Then if application is made to have controls taken off livestock, milk, or grain, for instance, he can have a hearing, if he so desires, and if he is convinced that the commodity is in surplus supply, he can so certify. That would relieve him from certifying as to all the commodities under this section. By making one or two slight changes in the section, I think we would accomplish the same result and relieve the Secretary of a vast amount of work which, as I understand, would be wholly unnecessary. I merely make that suggestion.

Mr. BARKLEY. I thank the Senator for the suggestion. This language is the same as the language in the bill we passed a few days ago. I might also say that there is a difference between a commodity being in balance and in surplus supply. If a commodity is certified as being in surplus supply, that might carry the implication that there is more of it than is needed, that the supply is greater than the demand. All we have done has been to require the Secretary, whenever he finds that an agricultural commodity is in balance, that there is as much of it as there is demand for it, to certify that it is not in short supply. There would be a difference between certifying that something is not in short supply and certifying that it is in surplus supply, because surplus supply would involve a certification that there is more of it in the country than the demand calls for.

I shall be glad to consider the language, and I appreciate the suggestion, but I am afraid it would require the Secretary to find in these cases that there is more of a commodity in the country than there is demand for it. That is what we understand ordinarily by "surplus."

Mr. THOMAS of Oklahoma. If this language remains in the joint resolution and it becomes law, it will require the Secretary to make a complete certificate once each 30 days with respect to every agricultural commodity.

Mr. BARKLEY. He would only have to certify as to those in short supply, and the others he would ignore in the certification, because if he did not certify them as being in short supply, they would automatically go off the list.

Mr. THOMAS of Oklahoma. That would require the knowledge of the Secretary to be all-embrasive and all-comprehensive.

Mr. BARKLEY. He would be required in any case to have information about all the commodities, because it would be just as much trouble for him to find out what articles were in surplus, perhaps, as those which were in balance or those which were in short supply. I am not certain, myself, which would require the most work.

Mr. THOMAS of Oklahoma. I merely make the suggestion for the consideration of the Senator.

Mr. BARKLEY. I appreciate the suggestion.

Mr. President, I have stated substantially the difference between section 11 as it is now contained in the pending joint

resolution, and that which was contained in the bill which the President vetoed.

We have inserted subsection (f), as I said, in order to tie in the price ceiling with production and the stimulation of production, and in order to make it possible to adjust production, so as to deal with the situation where action under the bill would either not produce any more of a given commodity or, if it produced any more of it, it would take away from the production of some other commodity equally needed by the people. That is why that language was inserted, and it seems that, as a safeguard, there should be power in the hands of the Government to determine that, for instance, a company making electrical appliances should be allowed to increase the manufacture of electric fans, or some other electrical appliance equally important to the people, by turning away from production of electric refrigerators. The Administrator would have the discretion to determine, in cases of that sort, whether the increased ceiling price should go on the one product in order to make an increase in production of that article while lessening the production of something else.

Mr. President, that is about all I have to say. I hope the Senate will accept the revised measure in the spirit in which the committee has brought it to the Senate. We feel that in order to get any legislation at all retaining and continuing price controls it is necessary for the two branches of the Government dealing with legislation, the Congress and the President, to come to an accord; otherwise no legislation is possible. I believe the overwhelming desire and sentiment of the American people is that there should be a continuation of price controls in some form. I think the overwhelming feeling of the American people is that price controls ought not to be terminated abruptly as they have been by the expiration of the law. We arrive nowhere by getting into a discussion and recriminations as to who is responsible for the expiration of the law. We now face a condition and not a theory, as Grover Cleveland said, and I believe that the American Congress, representing the American people, has the wisdom and the fortitude and the intelligence to try to meet in a reasonable way the objections of the President to the bill which was sent to him. I have every reason to believe that if we attempt to do that we will secure a fairly workable and satisfactory law. Though it may not be satisfactory to everybody, it may not be satisfactory to one group or another group or to somebody in the Government, my feeling is that the Congress and the President ought to try to get together, regardless of the opinion of any other branch of the Government, in trying to write a law that can be enforced and be administered, and that will protect the American people from the type of run-away inflation which may ensue if there is no legislation whatever, and which may have already begun in the increase in prices which we have witnessed during the past week.

Mr. TAFT. Mr. President—

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Kentucky yield to the Senator from Ohio?

Mr. BARKLEY. I yield.

Mr. TAFT. As to the specific discussion of the changes the committee has proposed. In the first place, with regard to the so-called Wherry amendment—

Mr. BARKLEY. I omitted to mention that. I wish to discuss the Wherry amendment.

Mr. TAFT. On page 20 of the joint resolution, and page 10 of the conference report.

Mr. BARKLEY. Yes. In the bill which the President vetoed, subsection (t) of section 10 provides as follows:

(t) No maximum price applicable to any distributor, wholesaler, or retailer, shall be established or maintained for any commodity below a price which will return to such distributor, wholesaler, or retailer with respect to such commodity his January 1, 1946, discount or the sum of (1) total current cost of acquisition plus (2) his January 1, 1946, mark-up. The January 1, 1946, discount or mark-up shall be the percentage discount or percentage mark-up of such distributor, wholesaler, or retailer in effect on January 1, 1946.

The new subsection (t) provides that:

In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall make due allowance for the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

The date of June 29 was substituted for the date of January 1, 1946, because during the 6 months ensuing between the first of January and the 29th day of June, which was the last weekday on which the law was in operation, there had been worked out a process of cost absorption among distributors. In the first place the original amendment, as offered on the floor of the Senate, allowed prewar mark-ups. The conference eliminated the prewar theory and put the date as of January 1, 1946. In view of the fact that in the interim between January 1, 1946, and June 29 there had been worked out a process of cost absorption on the part of the distributors which was satisfactory to many of them, though not to all of them, the committee felt that if we gave to them the current cost of acquisition plus the mark-up that was in force on the 29th day of June, so as to take care of all future additional costs, together with the mark-up in effect at that time, that was all that the distributors, whether wholesale or retail, could really expect us to provide for.

The reason why we set June 29 instead of July 1 was that inasmuch as the controls went off at midnight on the 30th, the committee did not feel like the mark-up on the 1st day of July, when there was no law at all in effect, should be taken as a standard, and so we fixed the 29th of June instead of the 1st of July.

Mr. TAFT. I placed in the RECORD on the 29th of June 500 price increases granted to manufacturers or producers by the OPA since March 1, and there are more since January 1. In most of those

cases, as I understand, the OPA made the distributors absorb a part of the increase granted to the producers, and under the amendment as now offered, as I understand it, the distributors have no relief. They must still absorb that cost. All the relief they are given by this amendment is that if subsequent to this time increases are granted to manufacturers and producers, then they cannot be made to absorb the subsequent increases, but they can be made to absorb all past increases.

Mr. BARKLEY. They have absorbed them, and the goods have gone out to the consumers over the period of 6 months, based upon the cost absorption program. If we make it retroactive to January 1 it will become retroactive with respect to many commodities which the distributor has already sold to the consumer, and he has gotten what his price was under the law, or under whatever program was agreeable, or, whether it was agreeable or not, was in effect. So it seemed to the committee it was all the distributor really need to ask if from now on we give him his increased costs which are passed on to him by the manufacturer, plus the discount which was in effect on the last day of price control.

Mr. TAFT. Now passing to section 11. In discussing what the changes are in this measure compared to section 11 which was in the conference report, section 11 (a) of the pending measure makes the base period the calendar year 1940. Personally I have no objection to it being 1940 instead of 1941. I chose 1941 because that was the date fixed in the Price Control Act itself as the base period. But when we come to section 11 (b) I should like to read what the Senator's amendment provides:

In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar prices of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period.

Stopping there, may I ask the Senator what difference there is between that formula laid down and that which was contained in the original section 11.

Mr. BARKLEY. The original section 11 contained a formula for the ascertainment of weighted averages in the cost of production of commodities, which is eliminated from the new section 11. It also provided more for cost-per-unit prices than does the new amendment.

Mr. TAFT. This amendment, as I read it, applies to every product—and "product" is defined just as in the original act. The only difference I can see in the formula up to that point is that it starts from an average dollar price in 1940, instead of the individual price of the manufacturer. As I see it, it adds the average increase in cost, requiring the same calculation which was required under the original amendment. Is not that a correct statement?

Mr. BARKLEY. That is true. It requires an average; but this is an average cost to the industry, whereas the original amendment carried with it language which made it seem to apply more to each individual unit, rather than to the average increase in costs.

Mr. TAFT. Leaving out the last five lines of this section, it seems to me that this amendment is the same as that originally offered. It requires the same difficulty of calculation, which was one of the arguments used by the President, except that instead of starting from the individual's price in 1940, it starts from the average price of the industry for the given product in 1940. To me that is not a vital difference, but I think it is a mistaken difference, because in general the smaller operators charge higher prices. They charge higher prices because they are perhaps closer to the customers, or give some special service, and are able to make up, by a somewhat higher price, the greater costs of production. So it seems to me that this average is less favorable to the small producer than to the large producer. However, it is not a vital change, as I see it, until we come to the last five lines. I do not see why it does not require the same elaborateness of calculation, which was one of the arguments of the President against the original section 11.

Mr. BARKLEY. In a sense it requires an over-all ascertainment of the average increase in the price of an industry since the base period. I do not think it requires quite so detailed and meticulous a calculation as to each item as did the original amendment. However, with respect to the over-all picture, it is assumed, of course, that the average increase in costs since the base period, which is 1940, will be ascertained as accurately as it is humanly possible to ascertain it.

Mr. TAFT. I now come to the last five lines, which seem to me to nullify all the rest of it. They were inserted by the committee, as the Senator will remember, at the last moment. They were not in his original amendment.

But the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

There we get back to the over-all industry standard. We no longer divide the industry by products. We simply take the industry's average over-all profit on all sales of all kinds of products. That was one of the main things to which I was objecting when I offered the original amendment. Why does not that language nullify the first part of the section?

Mr. BARKLEY. I realize the Senator's objection to that language. It was inserted by the committee. We were in the process of discussing a possible substitute for the original section 11, and this language was inserted by the committee as a part of it. Let us see what it means.

But the maximum prices for a product—

We are still dealing with a product, which is what we refer to above in the same section—

shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product—

Of course, the current total cost would include any increase in costs since any period we might fix, whether in 1941 or 1940. The total current cost of any product now includes all the additions in cost which have taken place in the production of a commodity since any given period we might fix as a base period. All that language means is that there are to be allowed the present current costs of producing the commodity, which would include any increase in costs since the base period—

plus the industry's average over-all profit margin on sales in the base period.

That simply means that when there have been ascertained the total current costs of a product at this time, which includes all the increases in the cost of production that have taken place, there is added to that the industry's average over-all profit margin on sales in the base period—in other words, the same profit margin on the product now as existed on the same product or a similar product in the base period. It seems to me that that is a perfectly fair and equitable provision.

Mr. TAFT. Does it not give the Administrator the power to choose between the two methods? It seems to me that this is the way it would operate: Under my original amendment each product was considered. If a man was selling a product at a loss in 1941, he had to sell at a loss today. If he was selling at a profit in 1941, he was permitted to sell at a profit today. Under this rule, the Administrator may apply the first part of it to that which the producer was selling at a loss, and make him sell that part at a loss today; but the profit on the things which he was selling at a profit to make up that loss could be averaged down to the average over-all profit. So it seems to me that either way the producer would be placed at a disadvantage. The Administrator chooses whether to make him sell at a loss because he did so in 1941, or whether to cut down his 1941 profit in order to get it down to an average. Is not that correct?

Mr. BARKLEY. I think the Senator from Ohio is putting a strained interpretation on the language. In the first place, I think he must admit that under the last clause the Administrator is required to give to the producer the current cost of his product plus the industry's average over-all profit margin. Of course, if the producer had no profit margin in the base period, the Administrator could not be compelled to give him a margin of profit in addition to the current cost. But under this language he is certain to get his current costs, and if he had a margin of profit in the base period, he would get that also. If he did not have a margin of profit, he would not get it. That is exactly what would happen under the Senator's amendment. If he made no profit in the base period, he would not get it now.

Mr. TAFT. Take the case of a concern selling three or four different products. It sells one at a loss. The profits on the others make up the loss. Under

my amendment the increased costs were added in the case of each product, so that the same relationship was maintained. Products which were formerly sold at a loss would still be sold at a loss; and products which were formerly sold at a profit would still be sold at a profit. Under this rule products which were formerly sold at a loss would still be sold at a loss; but the prices of products which were formerly sold at a profit would be averaged down to the industry's average over-all profit margin.

Mr. BARKLEY. The producer would not be compelled to sell at a loss. He would be allowed his current costs in the first instance, which would include all the increased costs of production of a given product since the base period. If he got his over-all costs, and if he had no profit in the base period, would he be any worse off now, without a profit, than he would be under the Senator's amendment, or under the law as it now exists?

Mr. TAFT. So far as concerns the products which he sold at a loss, the situation would be the same. But with regard to products which he formerly sold at a profit, the profit would be scaled down to an average, taking into consideration the loss on the product which was sold at a loss.

Mr. BARKLEY. Under this language, he is allowed his total current costs. The Senator agrees to that, does he not?

Mr. TAFT. Yes.

Mr. BARKLEY. So he gets his total current costs now. It may be that in obtaining his total current costs he will be in a better position than he was in the base period, because he may have been producing at a loss then.

Mr. TAFT. My point is that the Administrator can apply one standard under the first part of the section, and another standard to a different product. He does not have to apply the same standard to the product which was formerly sold at a loss as he applies to the product which was formerly sold at a profit. He can apply one standard to certain products of an industry, and another standard to other products of the same industry. If the Senator wished to make the rule completely alternative, and provide that as to any industry the Administrator might apply either one standard or the other, I would have no great objection. But as the section is written I believe it sets up a double standard.

Mr. BARKLEY. I do not think it sets up a double standard. I think it is all a part of the same picture.

Mr. TAFT. Let me ask the Senator about subparagraph (f), which seems to me to nullify the whole section. Having set up a standard which is more or less like that in the original act, the Senator's amendment now provides:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

Does not that leave to the Administrator the power, after he has found the

standard and the increase in costs, to say, "I do not think this is going to result in increased production, so I will not apply the standard"? Does it not say, in effect, "Here is the standard, but the Administrator does not have to apply it if he does not want to"?

Mr. BARKLEY. One of the strongest arguments in favor of increased prices, and one of the foundations for the objection to the present pricing system, as expressed by those who oppose it or object to it, is that we need greater production, and that prices should be fixed so as to stimulate production and bring about more production. That has been the theme song of all those who have sought to arrive at a different formula, so that there would be increased prices which would stimulate production, with the result that the increase of production would be sufficient to guarantee reasonable prices, and therefore would obviate all necessity for price control.

All this language does is to say to the Administrator that if the maximum price fixed under the standard for a certain period of time is not such as to stimulate production, or if it would stimulate production in a given commodity at the expense of production in another one equally needed by the American people, he may determine whether for such period a price increase shall be allowed, based upon the possible stimulation of production, as to which I feel, as I think we all feel, there is much logic in the argument that increased prices may stimulate production. But if they do not stimulate production, if nothing of benefit comes to the public in the form of stimulation of production because of an increase in price, the question is whether the Administrator should be placed in a straitjacket in that respect.

Mr. TAFT. The whole difficulty has been that although the Administrator has admitted the necessity of increasing prices in order to obtain production, he has not done so. The only purpose of the amendment is to say to him that an increase in price shall be allowed up to the increased cost to the manufacturer, and that must be assumed *prima facie* and conclusively to be helpful to production. The moment we leave it to the Administrator, he will do exactly what he has done for the last year, namely, refuse to increase prices, and thereby prevent production.

Mr. BARKLEY. The Senator is not fair to the present Administrator when he says that he refuses to increase prices. The Senator knows that the Administrator who was in charge of the OPA until last Sunday a week ago has increased many prices. Hundreds of increases in prices have been allowed by the Administrator. Part of the reason and foundation and background for those increases has been the desire to stimulate production, and production has been stimulated and is on the increase.

So it is not fair to say that the Administrator has deliberately refused to increase prices on the basis that to do so might stimulate production. It may not have been done as much as it should have been done. I am not in a position to say "Yes" or "No" as to that. Certainly it has not been done to the extent desired

by some very earnest and sincere people. But it is not fair to say in a broad way that the Administrator, in the increases he has allowed, has ignored the whole question of stimulation of production because he has allowed hundreds of increases within the last 2 or 3 months.

Mr. TAFT. And in some cases they have been well done. In other cases they have been too little and too late.

Mr. BARKLEY. That may well be.

Mr. TAFT. For instance, in the case of butter.

I have information as to three cases today. There is no pulp within which to make paper. A mill in Ohio sent its representative to Sweden; and he offered the Swedes \$17.50 a ton, let us say, for wood pulp from Sweden. I give this figure as an illustration; it may not be exactly correct. But in substance the price which was offered to the Swedes was the price the mill was paying to its New Hampshire mill. The Swedes said, "The price of pulp on the world market is \$24. That is what the British are paying us. But we would like to get into the American market, and we will sell it to you for \$17.50 a ton."

The representative came back to the United States, but the OPA said, "Oh, no; \$15 a ton is the price in this country. The New Hampshire mill had a special hardship rate."

So the Swedes canceled their contract. The result of the situation is that today we cannot buy certain types of paper in the United States because the OPA refuses to recognize conditions which prevail in the world. The same situation applies with respect to linseed oil. There is practically no paint available in the United States because the OPA refuses to permit manufacturers to pay for linseed oil from Argentina the price which it is necessary to pay in order to obtain it.

A similar situation exists in respect to hides for shoes. Soon we shall have no shoes because the leather supply has run out, partly because of the shortage of slaughtering in legitimate channels, but largely because the price of hides today throughout the world—in Argentina and everywhere else where we ever bought hides—is higher than the price the OPA is willing to recognize in this country.

It seems to me that if we include in the pending measure a provision to the effect that if the Administrator says, "I do not think this is going to bring about any increase of production," then he will be excused from applying the standard; we might just as well eliminate the standard and the whole law. Of course, in principle we should permit the Administrator to exercise discretion; but how can we permit him to exercise discretion, in view of his record? Under those circumstances, how can we hope the Administrator will apply the standard which is stated in the Senator's amendment?

Mr. BARKLEY. Of course, it is easy to be dogmatic and to say, "This should be precisely this way." But I do not think we can wisely write any price-control law without giving some discretion to the Administrator. The Administrator may not have exercised his discretion in accordance with the Senator's

views; and in cases to which I might refer, if it were worth while to do so, he has not exercised his discretion in accordance with my views. But because of that, should we say to him, "You shall not have any discretion. We are putting you in a strait-jacket. We shall have an iron-clad rule which must be applied as we say, and you cannot interpret it except as we say?"

I think there must be some discretion, and I think the discretion proposed by the amendment is one which we may very well leave to the Administrator, because it is in harmony with all the price formulas which we have undertaken to write, in that it will stimulate production.

Mr. TAFT. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The difficulty is that over and over again we have written various formulas, but they have never worked, with the single exception of the Bankhead amendment, which was written in definite, clear, formal terms, and as to which there was no discretion. I think the tremendous opposition arising to this formula is not as to the formula itself which is set forth in the Senator's amendment. That is not the objection, but the objection is that this amendment states a definite principle which must be followed, and as to which the Administrator will have no discretion. I agree that that is the difference between the two amendments.

Now, Mr. President, I should like to ask the Senator from Kentucky about subsection (c) of section 11, on page 26. It ends with the words "including reasonable adjustments for conditions resulting from abnormal volume of production."

Why are those words added?

Mr. BARKLEY. I tried to explain that a while ago. Perhaps the Senator was not then on the floor.

Mr. TAFT. I was here, but I did not understand it.

Mr. BARKLEY. First let me read the subsection:

(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation.

Up to that point the language substantially follows the language of the original subsection (c).

Mr. TAFT. There could be no objection to it.

Mr. BARKLEY. It leaves the Administrator discretion in determining the reasonable methods of calculation which he shall fix by regulation. Of course, that is a discretion left to him.

Mr. TAFT. That is in order to determine costs. There are all sorts of ways to determine average costs, and under that provision he may choose the one he likes.

Mr. BARKLEY. The subsection then concludes with the following words: "including reasonable adjustments for conditions resulting from abnormal volume of production."

That language is intended to cover a situation where, by reason of the premeditation or deliberate determination on the part of some producer, in order to increase the cost per unit he would decrease his volume and thereby increase the cost per unit. This provision gives the Administrator the right to take that matter into consideration, if any such case exists, in determining the reasonable methods of calculation which he shall establish by regulation.

I do not know that we may assume that any concern would deliberately reduce production in order to increase its unit costs. We do know that some concerns have deliberately withheld their goods from the market in order to obtain higher prices. I imagine that if they would do that while awaiting an increase in prices, it would not be a far stretch of the imagination to assume that some manufacturer or producer might say "I will not produce at my full capacity; I will produce less than I can normally produce; I will bring about an abnormally low production of this commodity because by so doing it will increase unit costs." All this language would do would be to give to the Administrator the right to determine whether that factor should be taken into consideration in regard to reasonable methods of calculation under the rules and regulations to be established.

Mr. TAFT. Would it not work in this way: Take, for example, the automobile industry. The Administrator figures that the industry will produce 2,000,000 cars this year. Without figuring out the increase in costs he says, "But, I think 2,000,000 cars is an abnormally low volume of production. I will price them on the basis of your selling 5,000,000 cars this year, although I know you will not sell that many, and cannot sell that many." It seems to me that the language gives the Administrator the right to say, in effect, "During this period before you reach full production you must sell these products at a loss."

Mr. BARKLEY. It is easy to conjure up some fool thing which any Administrator might do. But let us take the automobile industry which the Senator has used as an illustration. If the Administrator found that any automobile producer had produced only a million cars when he could easily have produced 2,000,000—I cannot imagine why a producer would want to produce only a million cars if he could produce 2,000,000—and had deliberately held back his production in order to affect the unit costs, the Administrator would consider that fact in determining the methods in calculating the costs. However, if the Administrator found that labor conditions were such that the manufacturer could produce only a million cars, even though he wished to produce 2,000,000 cars, or if there were a strike which prevented the operation of the plant, or there were other abnormal conditions which the manufacturer could not avoid, certainly the Administrator would not apply the same standards under those conditions that he would apply to a concern which had deliberately withheld its production in order to increase unit costs.

Mr. TAFT. Mr. President, this has nothing to do with an individual concern.

Mr. BARKLEY. I think it would be rather difficult to prove that an industry had deliberately withheld production.

Mr. TAFT. There is nothing in the amendment which says that they must be found at fault.

Mr. BARKLEY. Oh, no.

Mr. TAFT. I do not conjure up what I am saying. If I remember correctly, in the committee Mr. Paul Porter testified that he objected to giving any industry credit for an increase in cost if he thought that next year it would produce more and thereby at a lower cost. He wanted to give the industry next year's cost figured right now.

Mr. BARKLEY. No; we are talking about current costs, not next year's costs. We cannot anticipate how much any concern will produce next year. This language applies to the rules and regulations which are to be established by the Administrator for the purpose of determining either current costs, or costs during the base period. They are not the costs a year hence.

Mr. TAFT. The effect is to permit the Administrator to substitute next year's costs for this year's costs.

Mr. BARKLEY. I cannot understand how the Senator can predict that kind of a situation a year hence. The language refers only to current costs. That means the costs at the present time. It does not mean costs in 1947 or 1948. It means now.

Mr. TAFT. I wish to thank the Senator for his very courteous discussion of this matter, and I hope to deal with it further when I take the floor. I appreciate very much his answering the questions and allowing me to speak on the subject.

Mr. BARKLEY. I thank the Senator for calling my attention to a matter which I had overlooked in my discussion of the subject.

Mr. WHERRY. Mr. President, I call up the amendment which has been proposed by myself and other Senators on page 9 of the joint resolution. I refer to the amendment bearing at the bottom the letter "J." It has to do with eliminating specific controls of livestock, poultry, eggs, and so forth. I should like to have the amendment read and considered at this time.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska [Mr. WHERRY] on behalf of himself and other Senators will be stated.

The CHIEF CLERK. On page 9, after line 14, it is proposed to insert the following:

(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

Mr. WHERRY. Mr. President, I wish to digress for a moment from a discussion of the amendment which has been read. I am sorry that the distinguished majority leader was compelled to leave the Chamber in order to take his lunch. I have not yet had my lunch, but I must continue without it regardless of the fact

that the majority leader is not present. I wished to ask the Senator some questions with respect to subsection (t) on page 24 of the joint resolution, which provides for percentage mark-ups for wholesalers, distributors, jobbers, and retailers throughout the country.

Mr. President, inasmuch as the Senator from Kentucky explained what the modification would do, I believe that I should invite the attention of Members of the Senate to the fact that this amendment modifies the original Wherry amendment. The term "Wherry amendment" is a misnomer, because it was offered by the small business committee. The record will show that one of the cosponsors was the Senator from Montana [Mr. MURRAY]. The effective date was set as of January 1, 1946, relative to the relief which the conferees thought they could afford to retailers. By the President vetoing the bill, what I call the conferees' amendment was killed. The new amendment, which is set forth in the form of subsection (t), on page 24 of the joint resolution, provides for relief to the groups which I have mentioned, namely, the distributors, the wholesalers, the jobbers, and the retailers.

But on what basis, Mr. President? I should like to invite the attention of the Members of the Senate to the language beginning in line 15 on page 24, as follows:

The Administrator shall make due allowance for the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

What does that mean? That merely means that if, under the cost absorption plan, a retailer has to absorb a part of an increase, all he may receive is consideration. That is all. There is nothing in the language which would provide any relief for the retailer. He will be given due consideration; due allowance will be made. For what? If the date is fixed at June 29, 1946, and this modified amendment is agreed to, it will freeze every cost absorption that has been imposed upon every retailer, distributor, jobber, or wholesaler, since the imposition of price stabilization, at the June 29, 1946, figure. Do Senators understand that? It will be absolutely frozen. Never can it be taken off their backs.

For example, prior to January 1, 1946, one industry I know of has absorbed, industry-wide, a cost of 12 percent. If we adopt the suggested amendment, subsection (t), on page 24, Congress will legalize the cost absorption which has already been imposed, and there can be no relief from it. That means a business would have to continue to absorb it. The so-called relief brings it down to June 29. That is just one step worse than it was before. There might have been some relief, because cost absorption might not have been imposed on some segments of industry. We will legalize, however, anything that has been imposed between January 1 and June 29. We will say we agree with the policy of the Administrator, and that he can continue cost absorptions, and there is nothing we can do about it.

It goes a step further. If we adopt subsection (t), it means a freezing of the

percentage mark-up as of June 29, 1946, and it cannot be increased.

There is nothing left in the amendment affording relief. We should not adopt a subterfuge and tell the retailers we have done something for them, when it is even worse than before. By this amendment Congress legalizes the policy of cost absorption for the first time. We say to the Administrator, "It is perfectly all right for you to require this little retail grocer, this independent dealer who makes the life of the community, to continue under the cost-absorption program."

It is legal if we adopt this amendment. We will sanction it. But that is not all. The businessman will have to price his mark-ups as of the June 29, 1946, level, and he cannot change it. It will be an act of Congress.

Mr. President, that is the panacea to be given the retailer. We will say, "Here is what we did for you," and we will have done nothing. The Senate should not accept this modified amendment.

Let me tell the absolute facts about the amendment. There is no defense for it. It is a subterfuge, because it says the Administrator will give due allowance. If he gives no more due allowance than he has given in hundreds of cases I have presented to the OPA there will be no due allowance. The Senator from Kentucky [Mr. BARKLEY] knows, as all other Senators know, it is a question of the Administrator.

Mr. STANFILL. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. STANFILL. A matter came to my attention this morning for the first time, in this connection, and I should like to have the Senator's reaction to it, and see whether the section applies to this particular problem.

As I understand, shoe manufacturers, or shoe wholesalers, were allowed in January of 1946 a mark-up of $4\frac{1}{2}$ percent to the shoe retailer. The shoe retailer was required to absorb that $4\frac{1}{2}$ percent. Under the subsection which the distinguished Senator is now discussing, that absorption would be frozen, as the retailer would be made to absorb all that $4\frac{1}{2}$ percent. Is that the Senator's interpretation?

Mr. WHERRY. That is absolutely correct. I refer the Senator to line 15, page 24:

The Administrator shall make due allowance—

For what?—

for the current cost of acquisition of any commodity.

As of what date? As of June 29, 1946. So that if cost absorption had been applied, he would have had to continue to absorb the $4\frac{1}{2}$ percent until Congress enacted another law. It is not even discretionary.

Mr. STANFILL. Does the Senator know of his own knowledge how many different items have been allowed to be marked up and required to be absorbed by the retailer?

Mr. WHERRY. No; but I shall try to obtain that information. His question is an intelligent one, and we should have the information for the RECORD. I did

try to get that information. I called the Office of Price Administration, and the only cost absorptions they said they provide were those imposed since January 1, 1946. They have the figures, but they said they would have to go to the Policy Pricing Board of OPA for the cost absorptions which were imposed prior to January 1, 1946.

There have been hundreds of them. I do not desire to make an excessive statement, but in the Small Business Committee we have had hundreds of complaints because retailers have had to absorb mark-ups. I can think of scores of them. I could tell about the automobile case, concerning which I have been given much credit by Drew Pearson and other columnists. But, speaking as a member of the Small Business Committee, I say that dealers in small automobiles have had to absorb $7\frac{1}{2}$ percent, which was enforced by the Price Administrator. They have had to absorb it. It was passed on from the producer at Detroit.

I ask the distinguished Senator whether the Administrator, who has no legislative authority, can step in and interfere in the right of private contract. If there can be a saving made of $7\frac{1}{2}$ percent, who is entitled to the saving? Is the saving owed to the one particular segment of labor in industry in Detroit to which it certainly went? Is it the white-collar laborer, who is not organized, who should have had just as much of an increase as the producing laborer? Or, in the final analysis, if any saving is made, should it not be passed on to the 140,000,000 consumers of the United States. Is not that sound? I ask the Senator?

Mr. STANFILL. Yes; that is sound. May I ask the Senator another question?

Mr. WHERRY. I am glad to yield.

Mr. STANFILL. Would the Senator undertake, for the benefit of a few of us who have not been able to get the information, again to call on the OPA to furnish that information, and put it in the RECORD?

Mr. WHERRY. I will. I thank the distinguished Senator. I shall make the formal request that each and every cost absorption which has been imposed upon all the segments of industry, manufacturer, processor, and producer, be listed and placed in the RECORD for the information of all Members of the Senate. The Senator will be surprised at the cost absorptions which have been imposed.

I desire now to quote some statistics from the United States Department of Commerce. From the time the war began until the end of 1945, 556,000 businesses went out of existence. I should like to ask the Senator how in the world a veteran can go into business today, how can a veteran get his prices established? How does he know what he can absorb? It is virtually impossible for a new man to start in business today, let alone make a profit, because he is practically controlled under Government formulas.

Mr. HAWKES. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I am glad to yield to the Senator from New Jersey.

Mr. HAWKES. I merely desire to make a comment on the point the Senator raised about 556,000 businesses going out of existence. I wish to say that many of the businessmen thus affected have told me what they probably have told the Senator, that when they went down to the OPA and told them they were going to be forced to go out of business, the official whom they saw leaned back in his chair and smiled and said, "Well, you know there is a war going on. It is just too bad that you have to go out of business, but there is a war going on."

The point I wish to emphasize to the distinguished Senator is that the war is over, and the great fundamental question before the United States of America is whether we are going to enthrone a dictator, or czar, in charge of all the economy of the United States, who has the power, or is even willing to assume the power, to decide whether one man or another man shall go out of business. After all, the economic life of every American citizen is very important to him.

I wish to say a word further, if the Senator will permit me.

Mr. WHERRY. I am glad to yield.

Mr. HAWKES. I think we are missing the most important point in connection with the OPA. To me the most important question involved in this whole situation is this: Is there a man in the United States of America, or anywhere in the world, who is wise enough to administer this power in such a way as not to destroy the American system of making a living? My answer is, "No," there is not, and it never should be left to any one man to decide whether 556,000 businesses go out of existence, businesses established by men and women who saved their money and put it into business. So I say to the Senator, and I want him to remember it as we go along, that the fundamental question is, Have we any right to give this power over the economic life and death of millions of people to any one man? So far as I am concerned, if there is need that we do something, and I do not know that there is, I should like to have established some prompt method of appeal, if possible, from the decision of any one man, so as to assure before it is too late justice and equity for the fellow who has to go out of business.

I thank the Senator for yielding.

Mr. WHERRY. I certainly wish to thank the able Senator from New Jersey for his contribution, and I should like to make a further comment. In my opinion one man is not smart enough to administer such power, and I will go further than that and say it is not possible to find a man in the United States, or any two men, who can write a price stabilization act which will do as good a job of absorption of prices as the open competitive market will do, if it is given a chance. I assert that such men cannot be found, and in a few moments I shall prove it with respect to meat.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. A parliamentary inquiry first.

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). The Senator will state it.

Mr. THOMAS of Oklahoma. What is the business before the Senate? Is the pending question the Wherry amendment?

The PRESIDING OFFICER. That is the question before the Senate.

Mr. WHERRY. If the Senator from Oklahoma will permit me, I should like to say that I have discussed for a moment subsection (t) of section 10 on page 24, because the able Senator from Kentucky discussed that subsection in his colloquy with the Senator from Ohio [Mr. TAFT]. If the Chair will bear with me, I will say that the pending question is the so-called decontrol of meat amendment, and I am just about ready to discuss it now.

Mr. THOMAS of Oklahoma. That is what I understood was before the Senate. That is an amendment which eliminates all control over meat and poultry products. Is that correct?

Mr. WHERRY. That is correct.

Mr. THOMAS of Oklahoma. Is it not a fact that the bill which was passed by the House and the Senate recently provided for decontrols of meat in the first instance,

Mr. CARVILLE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CARVILLE. If I am not mistaken, that amendment has not been offered yet to the pending measure.

The PRESIDING OFFICER. The Chair will state to the Senator from Nevada that the amendment has been offered.

Mr. WHERRY. It has already been offered, has it not?

The PRESIDING OFFICER. The amendment has already been offered.

Mr. THOMAS of Oklahoma. That is my understanding. I wanted to have the record made clear. The record shows that the Senate Committee on Banking and Currency reported an amendment to the House bill removing meat and meat products from under the control of the OPA. Is that correct?

Mr. WHERRY. Yes.

Mr. THOMAS of Oklahoma. Let me make a brief statement. A few days ago the Senator from Nebraska offered an amendment, or at least spoke about an amendment, and asked various Members of the Senate if they cared to join in sponsoring the amendment.

Mr. WHERRY. Yes.

Mr. THOMAS of Oklahoma. I was in sympathy with the substance of the amendment, but inasmuch as I had not read it carefully I could not at that time subscribe to the amendment because I did not know exactly what it contained. I notice that the amendment has been printed in the RECORD. When I received the RECORD containing the amendment I gave it consideration, and from my viewpoint the amendment is not as broad as I think it should be. I shall point out the defects in the amendment, as I understand them. The amendment provides only for the decontrol of livestock,

poultry and eggs, or food and feed products processed or manufactured in whole or substantial part from livestock, poultry, and eggs.

Mr. WHERRY. Yes.

Mr. THOMAS of Oklahoma. As I understand the amendment, it does not propose to remove from control anything excepting that portion of livestock and poultry which is edible or that provides food.

Mr. WHERRY. Yes.

Mr. THOMAS of Oklahoma. If that is true it does not provide for decontrolling wool?

Mr. WHERRY. No.

Mr. THOMAS of Oklahoma. It would not provide for decontrolling hides?

Mr. WHERRY. No.

Mr. THOMAS of Oklahoma. Or hair, or horns, or hoofs, or anything else excepting that portion of livestock which is edible?

Mr. WHERRY. Yes, that is correct.

Mr. THOMAS of Oklahoma. It also provides for the decontrol of eggs. Does the Senator agree that eggs are a component part and inseparable from poultry, as much so as wool is an inseparable part of the sheep?

Mr. WHERRY. I believe they are both in about the same category.

Mr. THOMAS of Oklahoma. In order to bring the matter down to an issue, I construe the amendment now pending as preventing anyone from placing controls on livestock or poultry products, save by Executive order, and it does not prevent the President from issuing an Executive order. So in order to simplify the amendment and make it clear, to me at least, I desire to submit a substitute for the amendment. It is in the same language exactly as the Senator's amendment, except it is more comprehensive. I ask that the substitute be read at this time. I offer this amendment as a substitute for the pending amendment and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be read.

The CHIEF CLERK. At the proper place in the joint resolution it is proposed to insert the following new section:

SEC. —. Notwithstanding any provision of this act or otherwise, or any Executive order, no regulation, order, directive, or allocation shall be issued, made, or maintained (including directives for distribution or price schedules) with respect to livestock, poultry, or any product processed in whole or in substantial part therefrom.

Mr. WHERRY. Mr. President, I do not object to the distinguished Senator from Oklahoma offering the amendment and making a statement, if the statement is not too long, but I should like to proceed to discuss my own amendment and explain it. However, I want to grant the distinguished Senator whatever time he wants. I should prefer that he not take much time, until I have discussed my own amendment.

Mr. THOMAS of Oklahoma. The Senator from Nebraska has the right to accept the modification, if he cares to.

Mr. WHERRY. Mr. President, at this time I do not want to accept the modification. If the distinguished Senator

will bear with me I will say that he knows I am in perfect sympathy with his amendment. In fact, the Senator from Oklahoma, as chairman of the Committee on Agriculture and Forestry, offered this amendment on the floor of the Senate when the previous bill was under consideration, and the Senator, I am sure, will agree with my statement that I voted for it and defended his position. The amendment offered by the distinguished Senator from Oklahoma goes beyond what is attempted to be done in the amendment I have offered. I hesitated a long time to break up or alter the language of any of the amendments which were approved and were contained in the bill which passed the Senate and went to conference. But if the distinguished Senator from Oklahoma will turn to page 20 of the previous measure, to section 3 (a) and section 3 (b), he will find that they deal separately with the decontrol of meat; that is, with livestock, poultry, and eggs, and food and feed products, and then separately deal with milk and food and feed products processed and manufactured in whole or substantial part therefrom.

I am in total agreement with both provisions, and I am in agreement with the distinguished Senator from Oklahoma with respect to going further and putting in a provision respecting wool, or anything he wants to put in, because, as the Senator knows, I am in favor of decontrol.

But the amendment I have offered is in reality the only amendment which was adopted in the Committee on Banking and Currency of the Senate. It was adopted there as a combination amendment. When it was voted on in principle, as the McFarland amendment—I think I am correct in stating that—it included milk and dairy products. But some of us, and especially the distinguished Senator from Nevada [Mr. CARVILLE] who joined with me in sponsoring the pending amendment, felt that if the question of specific controls was to come before the Senate, it was time that they should be offered as individual amendments, one at a time, and have a vote on them, and give the Senate an opportunity to do, as we say in a slang way, vote the amendments up or down. So we narrowed this amendment to the one thing provided in the previous bill as it was adopted by the Senate Committee on Banking and Currency and was passed by the Senate and went to the House, and then of course went on to the President of the United States, who vetoed it. Since the provision was adopted by the Senate and the conference accepted it I cannot see any reason why we should not again have it in a measure which again will be passed by the Senate.

I hope the distinguished Senator from Oklahoma will understand why I take the position I do. I not only sought out the Senator, but I called his office and asked him to join in sponsoring the amendment, because he is chairman of the Committee on Agriculture and Forestry. If he will check with his secretary he will find that my statement is correct. The amendment was offered in this form because the majority leader said that he would call up the OPA measure last Fri-

day on the floor, and that he wanted immediate consideration of it. So we waited until noon before we presented the amendment. We offered it rather in a hurry. But Senators will recall that I gave the opportunity to every Senator to walk down the aisle to the table in front of the Senate and place his name on the amendment. The distinguished Senator from Kentucky objected to such procedure, because so many Senators evidently wanted to place their names on the amendment as cosponsors. The majority leader objected because he said it would be like conducting a Billy Sunday revival meeting or a Billy Sunday sawdust trail. Apparently he did not want so many Senators to sign the amendment, which would show the public how many Senators really were in favor of it. So he stopped that by raising a parliamentary objection. I even asked the Senator from Kentucky to sign it himself, because I think it is a good amendment, and I think he ought to sign it.

After this amendment is considered and when and if the floor can be obtained we are going to offer the same kind of amendment for the milk and dairy and butter producers of the United States. We are going to give every Senator a chance if we can to cast an up or down vote for that amendment. I hope that the distinguished Senator from Oklahoma will defer offering his amendment until we find whether the pending amendment will be adopted. Then I shall welcome his amendment with open arms. I think every Member of the Senate will welcome it—no, Mr. President, not every Member, but I hope a sufficient number of Senators will welcome it so as to assure the adoption of the amendment.

Mr. President, I believe the colloquy earlier today between the distinguished majority leader and the Senator from Ohio [Mr. Taft] and other Senators demonstrated that the time has come when, if we are ever to have decontrol, the Congress itself must so specifically provide. That is my theory. I hope I am not wrong about it. The distinguished Senator from Washington asked the distinguished majority leader, perhaps an hour ago, "Is not the machinery set up in the bill whereby those who believe in the decontrol of meat can go down to the Secretary of Agriculture and ask him to decontrol meat?" The majority leader said "Yes," that the machinery was there. My esteemed friend and distinguished colleague from Utah entered into a colloquy with the distinguished Senator from Washington and I think they both agreed, along with the majority leader, that that could be done.

Mr. President, I agree that the machinery has been provided in this measure to do that, if there can be a proper administration of the act. But if we can judge the future by the past we will not get decontrol. Why do I say that? There have been reams of testimony taken about whether cattle are surplus or are in excess of demand, and what is the testimony? I expect to bring it out later in my speech. But just now in my introductory remarks I will say that it is an undisputed fact that today there

are 10,000,000 more cattle in the United States than the 10-year prewar average, but because of the price impediments of Mr. Bowles, cattle on the hoof have not been killed, butchered, and distributed to the people of the country. That is evidenced by the fact that until last week one could hardly buy a pound of meat. If he did, he had to get it through a black-market racketeer. His wife had to know someone else's wife. I asked then on the floor of the Senate, and I ask now, what good does it do to have a legal ceiling on anything if it is not on the retail counters? What good does it do to have a ceiling on nylon hose if consumers cannot buy such products? I have taken the position that maximum production is required. If we can get maximum production without OPA, does not that demonstrate that price impediments have caused a scarcity? I submit that with 10,000,000 more cattle in the United States, Chester Bowles' price impediments have resulted in no meat.

In 1 week, beginning a week ago yesterday, meat has flowed to the retail counters of the country without price control, and there has not been a national catastrophe, either. The people are taking it pretty calmly. They are pretty cool and collected. It is a fine thing to pick up advertisements, as we did on Friday and Saturday, showing porterhouse steaks advertised at one of the stores in Washington for 48 cents a pound. We have not seen such a thing for a long time under the Bowles system; and if we go back to the Bowles system we will not see it again for a year. It is not possible to operate and get production of fat cattle from the feed lots under the Bowles program. If we continue that program, we shall continue to have a scarcity of meat.

What do the reports show? I have a report in detail from the American Meat Institute. In the introductory part of my remarks I wish to give a report on the markets as of 11:30 o'clock this morning. I have waited until now to give it to the Senate. Here is it:

More than 100,000 head of cattle are in the 12 principal markets of the United States. That means cattle which are sold through the central markets. It does not include those sold directly to the black-market operators. There are more than 100,000 head of cattle in the 12 principal markets. How does that figure compare with a year ago? A year ago, under the Bowles system, there were 78,000 head. How does it compare with the situation a week ago? The figure was 27,000 head last Monday; and the week before, under the Bowles program, it was 16,000 head. In 1 week more than 100,000 head of cattle have been received in the principal markets.

Where are they going? They are going to the legitimate markets. They are going to the slaughterers who sell them through legal markets. That is why consumers are able to find meat on the meat counters of the United States, at prices which in most cases, I think, are surprisingly normal when we consider the emergency the meat producers were required to face because of the unexpected termination of OPA. If this much has been done in 1 week, why not

have another week's test? If as much advance can be made in another week as has been made this week, I think it will demonstrate to the majority leader and to the Senate that without price control production can be obtained, and it is my opinion that if maximum production can be achieved, a reduction of prices will follow.

What about hogs? At the 12 principal markets this morning 83,500 hogs were received, as compared with 41,500 a year ago under the Bowles system. A week ago last Monday 19,000 hogs were received. The week before that, there were hardly any. That shows what can be done without price controls and without Bowles. This country can get along better without him than with him. That has been proved in less than 8 days in connection with the meat situation.

What about prices? It is said, "Look at the prices." Let us take this morning's price on prime steers. For the benefit of Senators who do not know what a prime steer is, I will say that it is a steer which dresses out better than 61 percent. There are very few of them on the market. The meat from such steers goes to hotels and high-class restaurants.

Yesterday 325,000 people went to Atlantic City; and the Washington Post said, "Look at the increase in prices yesterday at Atlantic City." Three hundred and twenty-five thousand people went to Atlantic City for the week end, and attention was called to an increase in the price of roast beef from \$1.50 to \$1.75. That compares pretty favorably with the situation in other cities throughout the United States. But the people who go to Atlantic City are not those in the low-income brackets. They are not the people who must have relief. I do not go to Atlantic City, but those who do can afford to buy that kind of meat. It is ridiculous to cite Atlantic City as an example of extreme fluctuations in price. However, that is the Bowles system.

The high price of \$22.50 for three loads of prime steers was given as an example, but 90 percent of the cattle selling on today's market in Chicago are selling for \$19 a hundred and less. The top ceiling price under the Vinson scale is \$18. So today we can say to the public that the bulk of the cattle in the 12 principal markets going to the legitimate packers are selling within a dollar of the ceiling according to the Vinson price range. That represents an increase of only 1 cent a pound; but the important fact is that the meat is available on the retail meat counters.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. ROBERTSON. I think the Senator brought out a very important point when he spoke of the top price paid for cattle in the cattle market. I think most persons, when they see the figure of \$22.50 or \$22.10 paid for corn-fed steers, believe that every corn-fed steer that comes on that market brings a price of \$22.10, or that it is an average price. There is no such thing as an average price for the total number of cattle, or even the total number of corn-fed steers which arrive at any of the 12 principal markets in the United States.

I have before me the Omaha Daily Journal-Stockman for July 5, 1946. This is a livestock market newspaper published daily in Omaha, Nebr. On that day there were approximately 5,000 head of cattle received in Omaha. That is a pretty large number for a Friday.

On the first page there are set forth approximately 73 sales of corn-fed steers, with a few heifers at various prices. The last item shows the market top. The total number in these two columns is between 1,500 and 1,600. Yet of that number only 44 head brought the top price of \$22.10, and those cattle averaged 1,162 pounds. That is the only average in the market—the average weight of the cattle selling at a particular price.

The 73 items enumerated here start with four head selling for \$13.75. There were 36 head selling at \$17.25; 31 head selling at \$18.50; 41 head selling at \$19.50, and so forth.

Mr. President, I ask that this list be printed in the RECORD at this point. To save the time of the Senate I shall not read it.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Beef steers—Representative sales

Number	Average	Price
4.....	640	\$13.75
9.....	722	15.00
23 ¹	766	16.00
13 ¹	710	16.25
10.....	853	16.50
8 ¹	840	16.75
12 ¹	707	16.85
8.....	686	17.00
7.....	755	17.00
7.....	1,035	17.00
6.....	776	17.00
8.....	827	17.25
36 ¹	742	17.25
18 ¹	786	17.25
25.....	723	17.25
21.....	828	17.40
6 ¹	771	17.50
10 ¹	736	17.50
9.....	938	17.75
29.....	878	17.75
17 ¹	866	17.75
12.....	971	18.00
12.....	893	18.00
8.....	865	18.00
56.....	855	18.00
17.....	921	18.00
19.....	998	18.25
10 ¹	789	18.25
30 ¹	828	18.25
9 ¹	921	18.25
31.....	980	18.50
21.....	964	18.50
19.....	977	18.50
29.....	851	18.50
22.....	995	18.75
41.....	974	19.00
42.....	1,135	19.00
39.....	942	19.25
7.....	991	19.25
10 ¹	1,078	19.50
38.....	1,228	19.50
26.....	1,013	19.50
41.....	1,064	19.50
20.....	968	19.50
25.....	1,024	19.65
19.....	1,100	19.75
18.....	984	20.00
41.....	1,053	20.00
19.....	1,128	20.00
26.....	1,058	20.00
10.....	992	20.00
26.....	1,235	20.00
24.....	1,041	20.25
19.....	1,093	20.25
22.....	1,236	20.25
62.....	1,125	20.50
5.....	1,178	20.50
24.....	1,153	20.50
48.....	1,022	21.00
18.....	1,295	21.00
12.....	1,099	21.00
48.....	1,022	21.00
11.....	1,101	21.00

¹ Beef steers and heifers.

Beef steers—Representative sales—Continued

Number	Average	Price
58.....	1,116	\$21.00
44.....	1,242	21.00
21.....	1,232	21.00
30.....	1,128	21.50
20.....	1,051	21.50
103.....	1,110	21.50
22.....	1,156	21.75
28.....	1,185	21.75
30.....	1,184	22.00
44.....	1,162	22.10

Mr. ROBERTSON. I also ask permission of the distinguished Senator from Nebraska to have included in the RECORD at this point an article from the New York Times of yesterday, July 7, entitled "Livestock, Grains Move From Farms." The article is written by Mr. J. H. Carmical. It think it is very appropriate at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIVESTOCK, GRAINS MOVE FROM FARMS—WEEK OF "FREE TRADING" BRINGS PRICES EXPECTED TO CUT UNDER BLACK MARKET—STALEMATES ARE BROKEN—ELIMINATION OF GOVERNMENT SUBSIDIES ALSO A FACTOR IN MOVEMENT OF QUOTATIONS

(By J. H. Carmical)

The livestock and grain markets were a bit confused last week in the first "free trading" in more than 4 years, but prices generally followed the trend that had been expected, with sales having been made freely at levels no higher than had existed in the black markets. However, they were above the fictional levels of the Office of Price Administration.

With cattle and hog receipts in the principal centers at this highest level in many years at this season, the importance of the open price factor in moving agricultural products from the farm to the consumer was emphasized. While it will take a week or more before this influx of livestock will be felt in the retail outlets throughout the country, the consumers generally are assured of more supplies and at lower levels than previously existed in the black market.

For the past year, a steadily increasing amount of meat has been distributed through the black market. In June, it is estimated that around 90 percent of the Nation's meat was being marketed through that channel. Since various kinds of subterfuges were invoked in the disposal of this meat, it is difficult to determine exactly how much it was selling above the OPA ceiling. Prices varied in different sections of the country, but it is estimated that the over-all price of dressed beef was from 12 to 15 cents a pound above the ceiling of 22 cents for the choice grade. In many instances the price was up as much as 50 cents a pound.

SUBSIDY PAID BY THE UNITED STATES

Furthermore, it is estimated that of the beef sold in June through the black markets, the Government paid a subsidy on it. This subsidy amounted to 3 cents a pound on the hoof, or about 5½ cents when dressed. On this, the black market operators thus were receiving that much above the high prices they were obtaining from their customers.

Last week, the top grades of cattle sold in the Chicago market around 22 to 22½ cents a pound compared with their ceiling of 18 cents. On the basis of such prices, it is estimated that the big packers under their efficient operation can sell the finished product to retail outlets at 32 to 33 cents a pound. No subsidy payment from the Government is included in this price, which would compare with around 28 cents a pound, in-

cluding the subsidy payment the packer received under the old OPA ceiling.

Under the OPA, most hogs were moving above the ceiling level of 14.75 cents a pound and many buyers were paying as much as 20 cents. Although prices rose to the higher figure on the first day of trading after the removal of the ceiling, prices subsequently reacted to around 17 cents. At that price, it is estimated that packers can produce the dressed product for around 25 cents a pound, compared with previous black-market prices of 30 cents and in many instances as high as 40 cents.

The Government also paid a subsidy on a large percentage of the pork sold in the black market. The subsidy on hogs amounted to 1.70 cents a pound on the hoof, or the equivalent of around 2.50 cents when dressed.

In the fiscal year ended on June 30 the Government subsidy payments on meat approximated \$750,000,000. Excluding this payment which was made indirectly by consumers, there is no doubt that the cost of meat to the public in that period was at the highest level in the history of this Nation, with the profits largely going to black marketers, who in most cases paid no income taxes on that phase of their business.

Since any illegal business is more expensive to operate than a legitimate one, the consensus in the meat trade is that, if the OPA controls on meat are not restored, last week probably marked the high price for livestock in the immediate future. In fact, some large meat packers are on record to the effect that, without controls, they will be able to supply meat at lower prices than those previously prevailing in the black market.

GRAIN STALEMATE BROKEN

The lifting of controls also broke the stalemate that had existed for a period in the grain markets. It stopped the holding movement of wheat on the farms. This resulted largely from the order of the Department of Agriculture making it a penal offense for farmers not to sell 50 percent of their wheat within 15 days after placing it in elevators for storage. That cereal started to move through regular channels at some 20 cents a bushel above the ceiling level of \$1.98½ at Chicago.

Wheat had been in ample supply until a few months ago when a scarcity developed as a result of huge shipments being made abroad for relief purposes. In that period only a comparatively small black market in wheat products had time to develop. However, the price of flour in that market generally was twice that of the ceiling level and growing rapidly.

In view of the uncertainty over the fate of price control, mills last week were quoting flour and cereal products only for "immediate shipment." However, the price here ranged from \$5.22 to \$5.40 for a hundred pounds, compared with the old ceiling level of \$3.75. Without subsidy payments, the old price would have been \$4.75 on the basis of the ceiling price for wheat. This subsidy payment amounted to 47 cents a bushel on wheat, or the equivalent of about \$1 a hundred pounds on flour.

FACTOR IN NEW PRICE

The new price for flour took into consideration the higher level for wheat, and the recent rise in freight rates of about 3 cents a bushel. However, it was said to be from \$3.50 to \$4 a hundred pounds cheaper than that previously prevailing in the black market.

Corn, which had been in scarcer supply than wheat in the regular marketing channels, came out in large quantities. On Tuesday, more than a million bushels of that cereal were sold. With no great shortage of corn on the farms, there is little doubt that enough corn will move through the regular

marketing channels to supply the demand until the new crop is harvested.

Despite the heavy demand for meat, the ranges and farms probably have more livestock than at the start of the war. This year's production of wheat will approximate 1,075,000,000 bushels, or only slightly below the record crop of last year. On the basis of the present condition of the corn crop, it also may approximate a record. For these reasons, most persons in the trade believe that there is no better time than now to return permanently to a free market in meat and cereals.

Mr. ROBERTSON. I thank the Senator from Nebraska.

Mr. WHERRY. I thank the distinguished Senator from Wyoming for his contribution. He is another man who knows the cattle business from the ground up. I appreciate such a statement from a man who knows cattle.

Mr. CARVILLE. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield to the distinguished Senator from Nevada, one of the cosponsors of this amendment.

Mr. CARVILLE. I should like to make the observation that included in the prices to which reference has been made are the subsidies which have been paid for cattle over the period of the past several years.

Mr. WHERRY. That is a good point. I thank the distinguished Senator. That shows what is being done without the payment of subsidies. Considering everything, the markets today are really favorable, and the people of the country ought to take heart from what has been accomplished in the meat industry.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAFT. More or less in connection with the same point, but dealing with a different product, namely, oranges, I think it would be a good idea to place in the RECORD a report of the auction sales of oranges throughout the United States on July 1. The old ceiling price was \$6.20 a crate. The average price on that day was \$4.72; yet everyone has read in the press about sales of oranges at high prices. When I went back to Cincinnati over the week end I found the same situation. The average sales price of oranges was approximately \$4.80, but one crate, or perhaps a few crates of very fancy oranges of large size had sold for \$8.50, and the headlines carried accounts of oranges selling at \$8.50. What the OPA has done has been to impose a flat ceiling, so that little nubbins sell for the same price as large oranges. Consequently the large oranges have not been produced. There has been no incentive to produce the best grade. I think it would be wise to put this report in the RECORD as an example of what has happened in one other industry.

Mr. WHERRY. I thank the distinguished Senator, and it is perfectly agreeable to me to place that example in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CALIFORNIA FRUIT GROWERS EXCHANGE—ORANGES,
AUCTION SALES, JULY 1, 1946

The table below shows average prices received at several auction markets for July 1,

the first day after termination of price control. A few preferred sizes sold above old ceilings but the averages were substantially below.

Auction sales July 1, 1946

Market	Cars sold	Range		Average price	Old ceiling
		Low	High		
ORANGES					
New York-----	54	\$1.35	\$10.75	\$4.48	\$6.20
Boston-----	17	1.25	9.65	4.86	6.22
Philadelphia-----	20			4.91	6.19
Chicago-----	16	1.70	10.35	5.30	6.15
Detroit-----	14	1.25	8.20	4.75	6.18
St. Louis-----	12	1.35	9.10	3.93	6.16
Cleveland-----	6	2.50	9.55	5.78	6.19
Average-----				4.72	6.18

The highest sale was \$10.75 for 16 boxes of preferred sizes and extra quality in New York. There were a few other sales between \$8 and \$10 per box. The quantity sold at such prices was negligible. The averages were more than \$1 per box below old ceilings.

A car of oranges contains from 462 to 693 boxes.

Mr. WHERRY. I am glad to have that table inserted in the RECORD so as to show the prices throughout the country of another commodity. I could give hundreds and hundreds of examples of the prices at which beef sold throughout the country last Friday, but I do not wish to take the time of the Senate or encumber the RECORD. A man I know very well telephoned me from Omaha. The people there have just as much difficulty getting meat as have the people here in Washington because the beef is not being killed by the packers. The man to whom I have referred is a good friend of mine. I think he is affiliated with the opposite party, if that means anything. He telephoned me about a laundry. His name is Walker. I said to him, "Mr. Walker, what is the reaction out there about lifting price controls, especially the controls on meat?"

He said, "Well, Senator, everybody is pretty happy. We were rather apprehensive about it at first, but as it goes along we feel pretty good. We do not feel that it is out of hand."

I said, "Have you bought any meat?"

He said, "Well, I do not usually buy meat, but my wife went to the market this morning and, for the first time in months, bought a roast." He did not say what kind of a roast it was, but he said, "She paid 47½ cents a pound."

That is what my friend—a man in whom I have a world of confidence—told me. Understand, he was not interested in meat. He is interested in a laundry. We have heard of cases of people having paid \$1 or \$1.50 a pound, but, if such prices are paid, we must bear in mind that those are the black-market prices, and that for the first time people are paying black-market prices, and are openly doing business on that basis. If that is the price, it is what the black-market price has been. Today there are plenty of cattle, but there is difficulty in getting beef to the tables, simply because of the policies of Chester Bowles.

One amendment which we certainly wish to carry in this bill is the one providing for the decontrol specifically of

the livestock industry from Chester Bowles. He has completely demonstrated that he cannot handle it and that control has broken down; and in a week it has been shown what can be done without his administration.

I should like to refer again to the hog situation. It will be recalled that I said that today at the 12 principal markets there are 83,500 hogs, as compared to 41,500 a year ago and 19,000 last Monday, and a week before that the figure was negligible. So it is apparent that hogs are now available. Some people say, "Yes; but look at the price." Very well; what is the price? The top price at Chicago, when I received this report at about 11:30 today, was \$16.60 live-weight a hundred pounds. That means that is the top price for hogs. That means that a hog selling at that price had to be a 200-pound hog, in good finish, corn-fed, and what we call a bacon hog. Consider the price at which the average grade of hogs sold. An examination of the published figures will disclose that the average price was \$1 or \$1.50 below the very top prices. Seventy-five percent of the hogs which reach our tables, outside the bacon, sold this morning in Chicago for \$1 or \$1.50 under the top price of \$16.60, which means that they sold at practically the ceiling price, which at Chicago is \$14.35 a hundred. In 8 days hogs have been available at the ceiling price, without control. But under Chester Bowles' control we got no hogs at the ceiling prices, although actually the prices were the black-market prices, and even under those prices the number of hogs obtained was negligible. The testimony is that 80 percent of the meat sold in this country has been sold on the black market. Not one Senator has challenged that percentage figure. It is an admitted fact that the meat has been black-market meat. Is it any wonder that I join with my colleague from Nevada and all the other Senators who sponsor this amendment?

Mr. CARVILLE. Mr. President, to show that this matter of the black market was known to the Administrator, let me say that during the course of the testimony which was taken before the Banking and Currency Committee, Secretary Anderson made the following answer in response to a question which was asked by the Senator from Kentucky [Mr. BARKLEY]:

Mr. ANDERSON. Well, Senator, if I may, I would say to you that there have been many times when I have debated with myself very seriously as to whether or not the removal of many of these controls on meat might not be a good thing in view of the surplus population of our ranches. I would say that about as far as I have been able to persuade myself to go is to regard this present period when we are trying to reestablish slaughter controls as about the last effort to see if it will work. If with slaughter controls and with the increased force that OPA is now putting on this we are not able to direct these cattle back into decent channels, if we are not able to persuade people that they have got to back into decent channels, if we are not able to get food for the American people at decent prices, then we surely ought to try something else; and the only other "something else" is an abandonment of these controls.

That was back in April of this year, and then they were going to try the control system again. At that time Mr. Anderson stated to the committee that if the control system did not work, he thought controls ought to be removed inside of 90 days. That 90-day period is now about up.

I simply wish to make that reference in order to show that the black market situation was known to Secretary Anderson, at least, and I think it was known to Mr. Bowles and to Mr. Porter at the time.

Mr. WHERRY. Mr. President, I thank my colleague from Nevada who, as I have said before, is a coauthor of this amendment. He has referred to testimony which I should like to restate, because I wish to have everyone understand it. The distinguished Senator called attention to one of the most important things relative to decontrol, namely, the testimony of Secretary Clinton Anderson. I was expecting to refer to his testimony in the course of my remarks, but it might just as well be stressed now. Mr. Anderson was speaking about whether we could get more meat. He was saying that we were not getting meat. His statement was made during the last week in April, as I recall, and he was testifying before the committee. He was asked, "What are we going to do about it? We are not getting the meat now. What do you say?"

Secretary Anderson replied, "The only thing I know to do to force the meat back into the legitimate markets is again to impose what we call the quotas."

The quotas provide that a man who buys a drove of cattle has to buy so many head of fat cattle which he will slaughter, and so many head of another class of cattle, and so many head of another class of cattle, all the way down to even vealers and canners. Under the quota system, the Government thus assures the public generally that the buyer cannot buy only AA cattle or A cattle or B cattle, but must buy all grades of cattle, and must buy enough of the different grades to average up on all the different quotas and classes if he wishes to receive the subsidies. The Secretary thought that on the basis of such a kill, it would be possible to obtain better distribution. When he was asked, "What can you do?" he said, "The only thing that is left is to go back to quotas and see whether they will work."

Then he was asked, "Well, what is to be done if that does not work?"

He said, "Then we must do something else."

I think the "something else" was decontrol; at least, that was the inference, and he is credited with taking that position and advocating that that be done if the quota system did not work.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Nebraska yield to the Senator from Delaware?

Mr. WHERRY. I yield.

Mr. BUCK. Let me say that the Senator from Nebraska is entirely correct about that matter. Secretary Anderson

said at that time or on a later occasion that if the black market in meat could not be controlled, and he was very doubtful whether it could be, then meat should be decontrolled.

Mr. WHERRY. I thank the Senator, who is one of the very able members of the Banking and Currency Committee. He attended the meetings of the committee very faithfully, and of course he is acquainted at first hand with the testimony adduced by the witnesses.

Mr. CARVILLE. Mr. President, will the Senator further yield to me?

Mr. WHERRY. I yield.

Mr. CARVILLE. I wish to refer to a little more of the testimony.

Mr. WHERRY. I shall be glad to have the Senator do so.

Mr. CARVILLE. After the statement which Secretary Anderson made about trying it for 90 days and then abandoning it if it did not work, the following occurred:

Senator BARKLEY. Ninety, did you say?

Mr. ANDERSON. Ninety days, or abandon it; yes. I say to you if you cannot stop the black market that exists, if you cannot stop the situation that the large packers upon whom we have to depend for a good deal of the meat that we ship in export—and that is my principal interest just now—if they cannot handle something like a normal volume of it, if it all goes out where it is wasted, then something is wrong.

Mr. WHERRY. I thank the distinguished Senator. That is the testimony of Clinton P. Anderson, the Secretary of Agriculture. It is my opinion that if Secretary Anderson had his way about the matter, meat would have been decontrolled away back in the latter part of 1945. That is my opinion. I have a wholesome respect for Secretary Anderson.

Had decontrol existed then, when the runs of cattle occurred last fall we never would have missed price control on meat. Of course, now the situation is different. We are in what is called the in-between season. We shall not get the big runs of cattle until a little later, although they are starting now. They are just beginning to come from Oklahoma, from the Osage district, and perhaps in a week they will be well started. If we do get them we shall have an abundant supply. The cattle from that section of the country and also from the blue-grass section, from Texas and from Idaho, as the Senator from Idaho [Mr. GOSSETT] knows, the cattle are fat and ready for the killers.

Mr. President, it will be recalled that the Senate Committee on Banking and Currency adopted the so-called McFarland amendment to the bill that had been passed by the House, and by the terms of that amendment the livestock and meat industry was relieved of controls, with such relief to be effective immediately after June 30, 1946. I make that statement because the very thing we are now asking was voted in the Committee on Banking and Currency. It was passed by the Senate, and went to the President of the United States, who vetoed it. The amendment was approved in the Senate by a vote of more than 2 to 1.

Mr. President, it will also be recalled that this amendment was approved by

the Senate when it passed House bill 6042 containing the specific decontrol of livestock and meat, and that the vote on the final passage of the bill was 47 to 23. That was a vote of more than 2 to 1. The vote was a clear indication of the sentiment of the Senate with reference to decontrol of livestock and meat.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BUCK. I think the able Senator made a statement which was incorrect by saying that the bill which went to the President contained those decontrols. My recollection is that they were eliminated in the conference committee, and that the bill went to the President without them.

Mr. WHERRY. I wish to correct the record, Mr. President. What the Senator from Delaware has stated is true. I meant to refer to the decontrols as they were contained in the bill when it passed the Senate and went to the conferees.

Mr. BUCK. The Senator is correct.

Mr. WHERRY. I thank the Senator. It is hard to trace clearly the votes, the amendments, and the various bills which come before the Senate. However, the amendment to which I refer was voted on and adopted by the committee. It was passed by the Senate and went to the conferees where it was deleted before the bill went to the President of the United States.

Mr. President, there are many reasons why I feel there is no other course for me than to join in the submission of this amendment. I am convinced that if the Members of the Senate will recall everything that has been said on this floor concerning the present subject, and even a fractional part of what has been testified to by various witnesses before separate committees of the Senate, especially before the Committee on Banking and Currency, the amendment for which I now ask consideration will be overwhelmingly adopted.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MURDOCK. The Senator, if I followed him carefully, gave considerable emphasis to the statement which was made by the Secretary of Agriculture, Mr. Anderson.

Mr. WHERRY. Yes.

Mr. MURDOCK. If I recall correctly the statement, it was to the effect that if the black-market situation on meat could not be remedied within a period of 90 days he would recommend that meat be decontrolled. I think the Senator has stated that the big run of grass-fat cattle will be coming perhaps within a month from now.

Mr. WHERRY. Mr. President, I made the statement that the run had already started, and that within a week cattle would be coming from the Osage parts of the country. Actually, the run is about to begin.

Mr. MURDOCK. The run will not be at its height, if I know anything about the situation, until at least 3 weeks from now.

Mr. WHERRY. Mr. President, that will depend entirely on whether the price ceilings are left off or put back on. If

they remain off I think there will be the greatest run of cattle into distribution channels we have ever seen.

Mr. MURDOCK. I think the run will take place more in accordance with the season than the price.

Mr. WHERRY. Yes.

Mr. MURDOCK. We now come to the Secretary of Agriculture in whom is vested, under the pending measure, absolute and unqualified authority. If the Senator gives any weight whatever to the advice and statement of the Secretary of Agriculture, he knows what the Secretary will do. Mr. Anderson told us that if, at the expiration of 90 days, the situation has not cleared up, he will then be willing to decontrol. I wonder if the Secretary of Agriculture did not have in mind the very thing which the Senator has in mind, namely, that at about the time of the expiration of the 90-day period there will occur the big run of grass-fat cattle, and that then will be the most expedient and appropriate time to take controls off beef.

Mr. WHERRY. Mr. President, answering the distinguished Senator's question, I think that what the Secretary of Agriculture had in mind was the fact that we could not obtain any meat in legitimate markets, and because of that fact he wanted to reestablish the quotas. The Senator comes also from a cattle-producing State. I admit that if controls could be taken off when a run of cattle takes place into the market, there would be no acute situation in connection with the supply of meat. Whether the Secretary of Agriculture had in mind that he wanted to wait until the run starts, I do not know. The program was initiated by the Secretary to help divert what cattle were coming into the market into the legitimate channels by slaughtering quotas.

Mr. MURDOCK. Mr. President, I know the Senator wishes to be fair.

Mr. WHERRY. Yes.

Mr. MURDOCK. He is a very able and a very reasonable Senator.

Mr. WHERRY. I thank the Senator.

Mr. MURDOCK. It seems to me that when an expert, such as the Secretary of Agriculture, is speaking upon a certain subject and, in his wisdom, he tells us that if within 90 days the situation has not cleared up he will be willing to advocate decontrolling the prices of cattle, it is our duty to analyze his statement and ascertain just what he had in mind. If the Secretary of Agriculture had fixed a specific date, the natural thing, of course, for the cattle grower to do would be to hold back for that date to arrive before putting his cattle on the market. When the Secretary told us that if at the end of 90 days the program which he had in mind did not work out he would recommend decontrolling, and when the Senator agrees that about the time when the 90-day period will expire there will be a big flow into the market of grass-fat cattle, I think it is a situation that we should take into consideration. In my opinion, the Secretary of Agriculture had that situation in mind when making the statement which he made. It seems to me that the Senate of the United States could very appropriately and wisely go

along with the Secretary of Agriculture, with the full knowledge that at the most appropriate time, which will be when the grass-fat cattle start to come into the market, the situation will be taken care of quite properly.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. WHERRY. I wish eventually to answer the Senator from Utah, but I am glad to yield to the Senator from Oklahoma.

Mr. MOORE. I wish to suggest what my understanding was of what the Secretary of Agriculture had in mind when he made the statement that if quotas imposed on slaughterers did not bring the results expected, and did not reduce the black-market operations in meat, he would recommend decontrol. I do not believe that he had in mind the lack of supplies on the market, or the supplies which would be stimulated by grass-fat cattle coming into the market. I think he was discussing the black market which might be reduced by the program which he suggested.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. First, Mr. President, I wish to thank the Senator from Oklahoma. I now wish to answer the Senator from Utah, and after doing so I shall be glad to yield to him further.

I am satisfied that the one thing which the Secretary of Agriculture had in mind when he imposed slaughtering quotas was to get cattle into the markets. Whether the Secretary thought that at some time in August or the latter part of July he would take off controls, I do not know. However, the Senator from Utah knows that the quotas were imposed during, I believe, the last week of April. They continued for 1 week in April, all of May, all of June, and the first week of July. Until the ceilings were taken off conditions were going from bad to worse. I ask why wait another few days specifically to decontrol meat?

Mr. MURDOCK. Mr. President, the Senator knows that notwithstanding the fact that the Senate adopted the amendment, it was stricken out in the conference.

Mr. WHERRY. Yes.

Mr. MURDOCK. If the Senator will be reasonable enough to admit that the Secretary of Agriculture had in mind that the best time to control meat would be when the grass-fat cattle began to run, certainly he will agree that the best way to remedy the situation is to follow the Secretary's advice, because if the Senate puts the amendment back in the pending measure, unless the House has changed its mind—and we have no reason to believe it has—the provision will again be knocked out of the bill in conference, and it will take additional time, whereas if we are willing to leave it to Secretary Anderson, in whom the Senator says he has confidence, we will get the job done that much quicker.

Mr. WHERRY. I do have much confidence in Secretary Anderson, and I hope the Senator from Utah will always feel I am reasonable—I certainly want to be—but whether we will get this job done administratively under Secretary Anderson, or will not get it done, is the ques-

tion we have to decide. My experience has been that one in higher authority than the Secretary of Agriculture is the one who says what shall be done. That is my experience.

Mr. MURDOCK. Who is there, under the bill, who is higher than Secretary Anderson?

Mr. WHERRY. The President of the United States.

Mr. MURDOCK. The Senator has not any confidence in the President of the United States—

Mr. WHERRY. Just a moment. The Senator asked me who had more authority than Secretary Anderson. I say, the President of the United States.

Mr. MURDOCK. Of course, his authority is an indirect authority, but he has said in the most emphatic language—

Mr. WHERRY. If the Senator will permit me, the President of the United States has not said he wanted to decontrol meat.

Mr. MURDOCK. I did not say he did. I am telling the Senator what is in the pending measure.

Mr. WHERRY. I understand.

Mr. MURDOCK. In the joint resolution it provides that whenever the Secretary of Agriculture finds that an agricultural product is not in short supply, or, even if it is in short supply, if the selling prices are impeding to any extent the production of the commodity, he shall have the right, the exclusive right, the mandatory right—

Mr. WHERRY. Oh, no.

Mr. MURDOCK. To economic adjustments.

Mr. WHERRY. Everything but the "mandatory" is probably in the bill, but it is not mandatory. If the Secretary certifies that there is a short supply, very well, he can do so.

Mr. MURDOCK. The point I make is that under the bill there is no authority higher than the Secretary of Agriculture as to agricultural products, unless of course the Senator wants to jump over the Secretary and go to the President of the United States.

Mr. WHERRY. Mr. President, I do not want to jump over the Secretary, but that is what we are going to have to do, because the Price Stabilizer will be told by the President how he feels about what is in short supply. The distinguished Senator from Georgia hit the nail right on the head this morning when he asked the Senator from Kentucky, "What is supply? When is there going to be a short supply? What do you mean by supply?" And the distinguished Senator from Kentucky answered the question, in his very fine style, saying, "It means when meat in the butcher shops, in the slaughtering houses, and on the ranges is sufficient to supply the demand." Then someone said "What demand?" He replied, "The demand of the American people," if I understood correctly.

Mr. BARKLEY. That is correct.

Mr. WHERRY. Every bit of evidence I have heard from Secretary Anderson has concerned a demand based, not upon the domestic supply, but upon the world supply.

Mr. BARKLEY. Mr. President—

Mr. WHERRY. I have the floor.

Mr. BARKLEY. I am not disputing that.

Mr. WHERRY. I shall be glad to yield if the Senator wants to make an observation. I said that so far as Mr. Anderson is concerned, the demand is a demand that is based upon the world supply of meat. I am glad to yield to the Senator.

Mr. BARKLEY. The Senator stated that the Senator from Georgia hit the nail on the head when he asked me his question. What I wanted to ask was whether the Senator did not believe I hit the nail on the head when I answered.

Mr. WHERRY. That is the point to which I referred. The Senator not only failed to hit the nail on the head, but if he had proceeded to express himself about what the demand would be—and I know he heard the testimony before the Committee on Banking and Currency—he would say the demand would never catch up with the supply, because the demand of numerous agencies which buy this character of food and which have priority would not continue. So we do not know what the demand is at this time, and never will know.

Mr. BARKLEY. Will the Senator yield further?

Mr. WHERRY. I wish to finish this statement. Furthermore, in answer to the Senator from Utah I made the statement that I did not believe the Secretary of Agriculture would have his way about decontrol, and I mean that. I refer to the Barkley-Bates amendment once again. He did not have his way in that matter. I refer to the Bankhead amendment. He did not have his way in that matter. We can write any kind of an act we desire and say we have it fixed, but in the final analysis it will be just as good as what the President wants the Secretary to interpret it to mean, and that is all we will get.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MURDOCK. During our discussion of the meat situation in the Committee on Banking and Currency I talked over the telephone to one of the largest packers in my State at least a half a dozen times. In each conversation we had on the subject I asked him this question, "When is the best time to decontrol meat?" He very emphatically said, "The best time to decontrol meat is when grass-fat cattle begin their run." That is what Secretary Anderson tells us, and that is what the Senator from Nebraska agrees to.

Mr. WHERRY. Mr. President, just a minute. I know the distinguished Senator from Utah does not want to be unreasonable or unfair. Does he now ask me when is the best time to decontrol meat? Is that what the Senator wants to ask me?

Mr. MURDOCK. Let me ask it in my own way. I thought I was fair with the Senator, and I asked him about what time the grass-fat cattle would start to come in, and he told me. Then I thought agreed with me that when grass-fat cattle start to come in, is the best time to decontrol meat. It may not be, in the Senator's opinion, but in mine, and in the opinion of one of the big

packers of Utah, that is the best time.

Mr. WHERRY. Mr. President, I wish to thank the distinguished Senator for his observation, and if he still sticks to the story that the best time to do it is when the packer told him, that is all right with me. I have not been consulting a packer in Utah, and I do not know how he feels about it, but if I am asked the question, my reply is right now, we are already decontrolling, and why should we go back to controls, in the face of the great success we have had with meat, and the way the people of the United States have accepted the present circumstances?

If the Senator does not agree this is the right time I say to him if we can continue to do what we have already done since OPA ceased to exist, without the runs which will come later, we have demonstrated beyond any shadow of doubt that now is the time to decontrol. We have already gotten the burden off the backs of the people. We have to make price adjustments, and if we can do it now, we do not have to worry about the remainder of July, August, or September, or any other month.

Mr. MURDOCK. Mr. President, will the Senator yield again?

Mr. WHERRY. I yield.

Mr. MURDOCK. The Senator asks me if I do not think now is the best time—

Mr. WHERRY. I did not say that.

Mr. MURDOCK. My answer is that we now have an expert on that subject, a man competent enough to be appointed Secretary of Agriculture, who told us on the 1st of May that about 90 days from that time would be the best time to decontrol cattle.

Mr. WHERRY. Mr. President, I do not know what happened in the conversation the distinguished Senator had with the Secretary, but, my guess is—and I am merely making a guess—that if a straight, out-and-out question had been asked Secretary Anderson last April about what he thought of decontrol, he would have said, "I would like to decontrol meat right now."

Mr. GEORGE. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. GEORGE. I think we should not lose sight of the fact that the Congress should be able to judge something about the supply of hogs and cows in the country. The distinguished Senator from Utah has suggested that we have an expert. I am happy to say that I have a great deal of confidence in the expert, Mr. Anderson, but he was gotten out of the Congress of the United States. He was in the other House. Is it reasonable that the judgment of one man would be better than the judgment of 96 in this body and 435 in the other body? Why cannot Congress decide some things? What is the necessity of referring everything to an administrative agency?

Mr. WHERRY. I thank the distinguished Senator from Georgia.

Mr. GEORGE. While I am on my feet, will the Senator permit me to mention another matter?

Mr. WHERRY. I yield.

Mr. GEORGE. My concern is that we will not have any meat at all if the present program continues. If I may illus-

trate, we will have no salt pork or pork products in my State. We have none now. We have not been able to get them for 6 or 8 weeks, and we have none of the other products which are made from pork, such as lard. Why feed a hog, under the program which is now in force? A hog which does not weigh to exceed 135 pounds is not sold under a ceiling price in the local markets in my State today, and I am reliably informed by men in whom I have complete confidence that trucks all the way from Virginia, North Carolina, and perhaps Pennsylvania, are going to the Florida line and buying feeder hogs for prices up to 32 cents a pound, while a No. 1 hog that had been brought up by the farmer to the point where he weighed 200 pounds and above, must sell on the market, under the ceiling price, for 14½ cents a pound. Whether we in Congress have sense enough to know when an article is in supply and whether Congress has sense enough to make up its own judgment about anything, without appointing an administrative agency to determine the question, the farmer in Georgia at least is not a fool, and he will sell a pig at \$30 before he will keep him until he weighs 200 pounds and above, and receive only \$28.50. Therefore we are getting little meat. Consequently, within 6 months there will absolutely be no supply of meat if the present program is continued. That is just as plain as is the nose on anybody's face. I am anxious to see meat brought back into supply.

Moreover, Mr. President, if the Senator will indulge me further—

Mr. WHERRY. Certainly.

Mr. GEORGE. More meat and more of the necessities of life are to be found in the large industrial centers because they are the special concern of agencies such as the OPA, as it has been operated, than are to be found in the small town and small city markets in the States, even in the very midst of the regions where food and meat supplies are being grown. For 6 months nobody in those villages and towns and small cities has paid any attention to price ceilings. Yet we think that by passing a law we can restore the enforcement of the law and the willingness of the people voluntarily to comply with a law governing the prices of meat, which has resulted in almost complete depletion of the meat supply, to say nothing in the world about prices, whether legitimate ceiling or black market prices. Meat cannot possibly be gotten in sufficient supply, under OPA, so long as the farmer can get \$32 or \$30 for a 110-pound pig, when at the same time he cannot get that much for a 200-pound corn fed hog that has reached the No. 1 grade.

Mr. WHERRY. Mr. President, I want to thank the distinguished Senator from Georgia for his very timely remarks relative to the decontrol policy.

I should like to say that what he says is not only true with respect to the feeder-pig situation, but the distinguished Senator from Oklahoma knows that last year 14,000,000 veal calves were slaughtered, although the average slaughtering of calves runs about 7,000,000 a year. The preceding year 9,000,000

calves were slaughtered. It has been somewhat a policy of the administration not to encourage the feeding of livestock but to encourage the sale of the animals when they are young, to get rid of them, to get rid of the surplus in some way. So instead of feeding the calves until they grow to sufficient size to provide a plentiful supply of meat, under the present Government policy they are gotten rid of, they are slaughtered.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me for an observation?

Mr. WHERRY. I yield.

Mr. THOMAS of Oklahoma. The OPA law was passed as a wartime measure. The war in Europe ended more than a year ago. The war in Japan ended almost a year ago. The record shows that there is no price control today. The price-control law, as passed during the war, has ceased to exist. The situation now is exactly the reverse of what it was, say 2 weeks ago. Then it was proposed to extend the existing law in substance. Now that law has terminated. It has ended. There are no controls today legally on any commodity in the United States. So Congress is faced with the proposition to reimpose controls, to pass a new peacetime control measure. Now the question is: To what extent does the Congress wish to do that? A number of commodities are known to be in surplus supply today. Take oats for example. Today there is the largest carry-over of oats the Nation has ever had. The country is faced with a greater supply than was available last year. So when this year's crop is harvested there will be a surplus of oats. Yet there was no movement made to decontrol oats.

Take the meat situation, which the Senator from Nebraska has been discussing. It is known that we have at least 10,000,000 more livestock today than we had formerly. Then let us take oil. Oil is now decontrolled. It is proposed, if the pending measure is carried, to reimpose controls on oil. We have more oil now than we have ever had before. We have a surplus supply of oil. There is plenty of oil that can be taken from the ground. Above ground there is a large supply of oil and oil products. Yet, the OPA apparently wants to reimpose controls on oil. If the OPA, knowing all these facts, want to reimpose control on oil, on meat, and on oats and like commodities, which are known to be in a surplus supply, it seems to me that after they have reimposed them they will want to keep them there forever, and I am not in agreement with that kind of a program.

Mr. WHERRY. I want to thank the distinguished Senator from Oklahoma.

The extension of price control is now again before us for consideration, and the Banking and Currency Committee have brought in House Joint Resolution 371 and has submitted the same to us for consideration.

I am compelled to join in offering the amendment providing that, in the revival of the Price Control Act, livestock and meat shall be specifically exempt from any further control so that any such revival that this body might enact would

not affect the livestock and meat industry.

There are many reasons why I feel that no other course is open to me other than to join in the introduction of this amendment. These reasons I shall state in detail to the Senate, and, Mr. President, I am convinced that if the Members of this body will recall all that has been said on this floor concerning this subject and even a fractional part of what has been testified to by various witnesses before many different committees of this Senate, this amendment will be overwhelmingly adopted.

This amendment is in line with the declaration of policy of decontrol.

In the first place, I specifically call attention to that part of the proposed legislation brought in by the Senate Banking and Currency Committee which appears on page 4 of the proposed resolution and begins at line 4 thereon and which reads as follows:

(b) Declaration of decontrol policy: Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

The committee's "Declaration of Decontrol Policy" is very broad and general yet, at the same time, it has some specific and particular statements that deserve thoughtful consideration. It is very clear that the committee recognized the fact—a fact generally known to all of us—that the principle of price control was strictly a policy developed by the emergency of war conditions; it is obviously clear that our committee was perfectly conscious of the fact that the best thing that could happen to this country would be for conditions to so develop that there would be no necessity, that is, no emergency, bringing about a necessity for prolongation of the program of price controls.

The committee obviously realized that the sooner the program of price controls and subsidies could be abandoned and the economy of this country restored to the basis of free trade and individual enterprise the better off the country would be.

This is made perfectly clear by the language of the just-quoted "Declaration of Decontrol Policy." But, to me, the most significant feature of that declaration is that sentence which shows the intent of the committee to bind the Office of Price Administration and all other Government agencies to use their price subsidy and other powers to promote the earliest practicable balance between production and the demand.

This statement of policy by the committee is but a reiteration of the often-declared policy of the Government throughout the emergency period. Every Member of this Senate has, on innumer-

able occasions, heard Mr. Chester Bowles and his predecessors as Administrators of the Office of Price Administration make profound, pious, and fatuous declaration of the same policy and yet every Member of this Senate knows from personal experience with the administration of the Price Control Act that there has never been a time during the history of that act when any of those who gave official and frequent expression to this policy did so with the slightest degree of sincerity.

Each of us knows, from our own personal and individual experience, that the attention of the price control administration has been frequently directed to the fact that the production of many different commodities has frequently met or even exceeded the demand yet, until just recently, that is until this question of extension of the act became acute, no one ever heard of the Price Administrator voluntarily releasing the controls of any such commodity regardless of the abundance of the production.

The czar of the price-control program has been Mr. Chester Bowles. From recent developments, it has been obvious that Mr. Bowles has been able to override the expressed will of this Congress and that the influence of Mr. Bowles with the Government exceeds the power of the Congress.

This specific decontrol should be acceptable to the President because it comes with the declaration of policy in the bill and in his veto message.

There is no place in his veto message that I can find where he specifically asks not to decontrol meat.

This specific decontrol should be acceptable to the Secretary of Agriculture.

If anyone has any doubt about the cause of the scandalous situation that exists I invite attention to the testimony of Secretary Anderson given before our Banking and Currency Committee on the 1st day of May of this year. While all of the testimony given on that occasion by Secretary Anderson is most interesting and illuminating, I wish to particularly call attention to this statement:

Mr. ANDERSON. I think that it is absolutely true that the large, well-integrated packers have not been able to go into the market and buy cattle. I realize that there has been a belief that they are on a buyers' strike, but we have tried to check, in the times that we were running the plants, and we found it impossible for those firms to go into the market and buy cattle within the compliance range. The difficulty is that they are large.

The Secretary left the clear inference that, because these packers were large that they were watched more carefully by the agencies and that therefore they had to live by and under the regulations, even if that course put them out of business—as it has done. The Secretary also answers the charge that packers are on a sit-down strike and shows that the course they followed was the only course open to them. He also shows that even the Government of the United States could not compete with the black market operators when the Government was running the packing plants.

And we all know that this situation has gotten steadily worse. It will con-

tinue to get worse as long as there is an apparent effort to keep controls on the industry. Again may I quote from Secretary Anderson's testimony given before the House Committee on Agriculture:

Secretary ANDERSON. As long as there is this great flow of money in the country, where people can walk into stores and take out all the meats that are there on the counter for an average family, you just cannot control the situation.

Nothing has happened to remedy or alleviate the situation that existed in April when the Secretary was testifying. In fact, the situation is, from all the information I can get, much worse. And there is just nothing that can be done about it except to leave this industry free of controls.

The records show that, if free and unhampered by artificial and unrealistic controls, this industry, like every other American industry, will right itself. Secretary Anderson did, on May 1, 1946, tell the Committee on Banking and Currency that "he would like to see the effect of the slaughter control order tried out for 90 days and that if that did not cure the situation then controls should be abandoned."

That statement was made some 65 days ago, and no one will say that the situation has gotten better. We know it is worse. So the slaughter-quota order has done no good. There is now, Mr. President, only one thing left to do, and that is to decontrol this industry, and that is the effect of the proposed amendment.

Now, speaking specifically with reference to the cattle and beef industry, I believe it is appropriate that we should pay great attention and give great weight to any statement on this subject made by the highest officials in our Government having official responsibility relating to the industry. I believe that the Honorable Clinton P. Anderson is a well-informed and an honest Government official. Mr. President, I can think of no one whom I could quote more effectively on this point than the present Secretary of Agriculture, and when I seek to determine what the position of the Secretary of Agriculture is on this vital question I go directly to his testimony, and my attention has been directed to that testimony given by Mr. Anderson on April 4 of this year before the Committee on Agriculture, House of Representatives, and I find that on that occasion the following transpired: The chairman of the committee [Mr. FLANNAGAN], in referring to the cattle population of this country, asked the Secretary the following question and received the answer as given:

The CHAIRMAN. It looks as though we have sufficient supply?

Secretary ANDERSON. Very ample supply, which we ought to reduce.

Mr. COOLEY. Mr. Chairman, I would like to ask the Secretary a question: Is there any scarcity of meat in the country at the present time, in view of the large cattle population which we have?

Secretary ANDERSON. Well, there need not be a scarcity of meat. There is sufficient cattle to produce all the meat we need.

Mr. COOLEY. We never know what the demand is, do we?

Secretary ANDERSON. We have been able to calculate it pretty well here before. But what I am saying is that there is a sufficient supply to be able to take care of any demand

which the American people may have, and it would be a good thing if that demand could be supplied; because we have too many cattle on the range now, and I would like to see them slaughtered.

Mr. President, it is the Secretary of Agriculture to whom we must look for correct official information concerning any agricultural product. That is his peculiar function, duty, and responsibility. And I, for one, am glad to state that Clinton P. Anderson has shown himself to be a capable, serious, and entirely honest public official. Therefore, I accept his statements, made under the solemnity of testimony before a committee of this Congress of which he once was a Member, and I believe his statements and think that this Senate and the entire Congress and the people of the country are likewise justified in believing Secretary Anderson. I take it as fully and incontrovertably established that we not only have an ample supply of cattle in this country, but we even have too many, and the Secretary of Agriculture, in discharge of his duty to the farmers and ranchmen of the Nation, has recommended a sharp reduction in the numbers of cattle on the ranges.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. JOHNSON of Colorado. Does the record anywhere show that Secretary Anderson came to the committee and asked the committee, and asked Congress, to give him the authority in question? Did he say that he wanted to exercise the authority, or was he simply advising the Congress that in his opinion in 90 days, unless the situation with respect to the black market cleared up, and unless the market returned to normal, the controls ought to be removed? He did not say that he wanted to take them off, did he? As I understand his testimony, he was suggesting that the Congress take them off.

Mr. WHERRY. Yes, that is correct. I thank the Senator from Colorado for that statement. I was coming to that point in my remarks. Secretary Anderson asked Congress to decontrol. That was the main reason for the submission of the amendment. Congress has already declared the policy. Congress made its declaration of policy by the adoption of the McFarland amendment. But the Secretary wants authority to decontrol meat. I think that can be proved by not only his statement but also by the statement of the advisory committee.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MURDOCK. I hoped the distinguished Senator from Georgia would not leave the Chamber until I had opportunity to comment on what he said. His argument, as I recall it, was that wisdom resided in numbers, and that, while the President saw fit to select from the House of Representatives, Mr. Anderson to be Secretary of Agriculture, the Congress probably was more expert on questions of this kind than Mr. Anderson would be, now that he is Secretary of Agriculture. If that be the logic we should be

governed by, then I call the Senator's attention to the fact that the House, which is much more numerous than we are, being composed of 435 Members as against 96 Members of the Senate, has consistently refused, as I recall, to agree with the Senate's position on the specific decontrol of livestock and meats. When the Senator takes the position that Secretary Anderson was suggesting, as the Senator from Colorado just stated also, that Congress should do the job, certainly there is nothing in his evidence to indicate that. His whole evidence tended to recommend to the Congress that the situation be left as it was for 90 days, and then if at the end of that time it had not been straightened out, he himself, as Secretary of Agriculture, would recommend to those having in charge control of prices, the OPA, that the ceilings be removed. But I do not believe that anyone can go through his entire testimony and find the slightest intimation that he intended to come and ask Congress to do that thing.

Mr. WHERRY. Mr. President, it will not be necessary for me to answer any question that is asked of the Senator from Georgia. He can well care for himself. But to the distinguished Senator from Utah, may I finally say that it is my opinion that even under the machinery provided by this measure we cannot expect that Secretary Anderson administratively will ask to decontrol meat. If I understand the President's statement correctly, and if I understand the position of those who will support the Administration, they do not want specific decontrol of anything. The idea of saying that there might be a few more cattle here in 6 weeks or in 4 weeks or in 5 weeks, which would be the time to decontrol, would not make the slightest difference to the distinguished Senator from Utah, because he is going to vote against decontrolling meat no matter when it is proposed to decontrol it.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MURDOCK. I have not indicated how I was going to vote on the question. I was simply trying to contribute something to the discussion. I emphasized what the Secretary of Agriculture called to our attention, and I was prompted to do that by the very complimentary statements the Senator has made about Secretary Anderson and the great confidence he reposes in him.

Mr. WHERRY. Mr. President, I still have high respect for the Secretary. But I am making the statement again, and as I said, it is a final statement, that this act will not be administered as it is written. If we pass this joint resolution—and I make the prediction that the distinguished Senator from Utah will vote for it—we shall not get specific decontrols by the Secretary of Agriculture or the President of the United States during the year of the extension of the law.

Mr. MURDOCK. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I am glad to yield for a question, but I would rather not yield for observations. If the Senator wishes to make a speech, it is all right with me that he do so in his own time.

Mr. MURDOCK. I will limit myself to a question.

The Senator says that we are hiding behind things in order to stay away from decontrols.

Mr. WHERRY. That is correct.

Mr. MURDOCK. It seems to me that if I had as little faith in the administration of any OPA act which might be passed as the Senator has, as he has indicated in the past, I would be for absolute repeal.

Mr. WHERRY. I have already taken that position on this act. I am against the OPA as it has been administered, and every bit of it.

Mr. MURDOCK. Has the Senator offered an amendment to repeal it?

Mr. WHERRY. I do not need to offer an amendment. I voted against the bill which passed the last time; and whether this amendment is adopted or not, I expect to vote against the joint resolution this time, because I believe the time has come to end totalitarian controls in the United States. I think it is time to get back to the American way. I think if this is the best we can offer, the time has come when the people themselves should be freed from this prison and given an opportunity to work out their own problems, without being ruled by a czar like Chester Bowles, who can tell 140,000,000 people what they must do, when they must do it, what they may eat, what they may wear, what they may earn.

The time has come for Congress to assert itself. We should get back to decontrol. I am offering this amendment to decontrol meat in good faith, to make the joint resolution as good an act as possible. But I do not wish to have the Senator labor under any misapprehension. I am against OPA as it is being administered today. I am not going to vote to continue black markets in meat, lumber, or any other industry. I will not give them my sanction. I am against the system. I do not want needlessly to go back to black markets in meat, now that we have it decontrolled.

Mr. MURDOCK. Am I to understand that the Senator takes the position today that he is emphatically opposed to any type of OPA law at all?

Mr. WHERRY. Mr. President, I have said on the floor of the Senate more than once that unless we could have a price-control act to control all factors which enter into price stabilization, including wages and costs—and we cannot get that kind of a law, because the Senator and some of his colleagues will not give it to us, and neither will the President—we are better off without any price-control act. The pending measure is a subterfuge offered to the American people. It is not a price-control measure at all.

Mr. MURDOCK. As I understand the Senator, he still refuses to say that he is unqualifiedly against any OPA law.

Mr. WHERRY. I do not know how anyone could say with more certainty what I have already said. I will say it once again. I am against the pending measure, and I would rather have no law at all than to have the subterfuge which is offered to the people as a so-called price-control act. It would not control all the factors, and the Senator knows it. He is a smart man, and a very able

Senator. He is one of the best we have, and I love him. But the Senator has gone wrong in connection with this measure. He knows that the only thing to do is to decontrol meat. He knows that there is nothing to return to. I shall discuss that question a little later. The Senator does not wish to inflict upon the people of this country a condition in which 80 percent of the meat is sold in the black market. We have tried it for 4 years.

Bowles has promised this, that, and the other thing. Paul Porter has promised many things. All they have done is promise. What has happened? The meat situation has got completely out of control. Yet the Senator is asking me to vote for a measure which would fasten upon the American people a law under which 80 percent of the meat would be sold in the black market. It would result in wholesale disrespect for law. Today if one wants to obtain a piece of lumber, a piece of meat, a loaf of bread, or anything else, he must whisper to someone, "Where do you get it? From whom do you get it? I would like some meat; I would like a pair of nylon hose." One cannot get anything unless he knows some black-market operator. And yet we talk about price control.

I admit the existence of high prices. But this is the first time in 4 years that we have shown Mr. Bowles what the black-market price is, and what the people are paying. The Senator asks me to vote to reenact a law under which only 20 percent of the meat goes through legal markets, and to say that I am in favor of that kind of a law. Absolutely not. If there is any question in the Senator's mind, let me say that I intend to vote against the pending measure, because it is not a price-control measure, and it should not be enacted.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MURDOCK. I wish to express my gratitude for all the kind things the Senator has said about me, and to say to him that so long as he will continue to say such things about me I shall not ask him to do anything that he does not want to do.

Mr. WHERRY. I thank the Senator very much. We now understand each other.

Mr. President, I did not quote the Secretary of Agriculture in connection with the number of surplus cattle which he stated we had. I wish to bring that question to the attention of the Senate. The Secretary of Agriculture stated that we have 10,000,000 more cattle than we need; and yet, because of the Bowles plan, we cannot get meat. Mr. Bowles gives us a long list of price impediments, and the feeder cannot feed. Cattle cannot be fed today on the basis of the margins allowed by the Bowles-Vinson price range. If they are fed, it is necessary to pay the black-market price for corn, which is \$1.85 a bushel. But the legitimate feeder can pay only \$1.33, and he cannot get any corn. That is why we have no meat.

We are told that the feeders are holding back. I live in a small town, and I am proud of it. We are only 7 miles

from the Kansas line. In that territory there are 27 cattle feeders. Not one has a fat steer in the feed lot today. He cannot feed and make ends meet. That is all there is to it. It cannot be done under the Bowles price-fixing program. What is true in my locality is true in Utah and in every other cattle-feeding State. The feeder cannot feed a steer and pay the black-market price for corn, which he must do, and sell the steer at a profit unless it is sold on the black market. I ask the Senator from Wyoming [Mr. ROBERTSON] if that is not true.

Mr. ROBERTSON. That is true.

Mr. WHERRY. And yet I am asked to support that kind of a measure. Not Senator WHERRY from Nebraska!

The Secretary of Agriculture stated that he felt that we had surplus cattle. In addition to the official action and the testimony of the Secretary of Agriculture, we have the official action of the Cattle and Beef Industry Advisory Committee to which I have referred. That committee was appointed by the then Administrator of the Office of Price Control, Chester Bowles. Its duties and functions were clearly outlined in the memorandum quoted from in the early part of these remarks, but one of its functions was certainly to make recommendations concerning the removal or retention of price controls over the industry in which they were the advisory committee. This advisory committee of the cattle and beef industry unanimously recommended the removal of controls, yet OPA would not be guided by that recommendation. In fact, the representative of Mr. Bowles who had called the committee together and who was presiding at the meeting and was Mr. Bowles' agent and representative would not even receive or file the recommendation. Think of that. And yet we are told that a new law can be properly administered.

In my humble judgment, the facts are clear, and may be summarized as follows:

First, there is not only an ample supply of beef cattle in the country—I am speaking of beef cattle on the hoof—but there is a surplus of between 8,000,000 and 10,000,000 head. They should be slaughtered and placed on the tables of the consumers.

Secondly, the Office of Price Administration will never voluntarily relieve the cattle and beef industry of controls. That is my opinion, and I judge the future by the past. This opinion is fortified by the refusal of the OPA to be guided by the recommendations of the advisory committee, and by its unalterable, vigorous, and unyielding opposition to legislative decontrol.

There is no dispute concerning these facts. The cattle industry has met every test set by the directors of OPA; and by every criterion that has ever been announced the industry is entitled to be decontrolled. But we know that the agency will never order such decontrol. It has not done so in the face of recognized facts, and, in my opinion, it will not do so. The only way to fulfill the pledge and the obligation of the Government is for Congress to carry out the intent of the law and the promises which have been made. Legislatively we can

make good the word of the Government. I fear that it will never be done administratively.

Certainly the majority leader should not object to a decontrol program. At this point I should like to place in the RECORD the colloquy engaged in between the distinguished Senator from Iowa [Mr. WILSON] and the distinguished Senator from Kentucky, the majority leader [Mr. BARKLEY] when the Senator from Iowa asked the majority leader, in connection with the formula in the previous bill, if the facts and statistics showed a surplus, whether he would recommend the decontrol of livestock. I should like to place this colloquy in the RECORD at this point, because the majority leader distinctly stated that if the figures which had been quoted were correct, there could be no other course than to decontrol. So certainly the distinguished Senator from Kentucky would have no other course than to favor decontrol of the livestock industry, as provided by my amendment.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. WILSON. Mr. President, if the distinguished majority leader will indulge me, for the purpose of clarifying the conference report in my own mind, I should like to ask him a few questions.

Official Government reports show that the total meat production in the United States in 1945 was 17 percent in excess of 1941 production, more than 20 percent in excess of the 1940 production, and 20 percent in excess of the meat production average for the years 1934-44, and that meat production in 1946 will be close to the high of 1945.

Does the majority leader think, under these circumstances, that the Secretary could, under the conference bill, certify that meat is in short supply and thereby permit the OPA to continue ceilings and other controls on meat after August 1, 1946?

Mr. BARKLEY. Under the terms of the conference report the Secretary of Agriculture is charged with the duty of making monthly certifications to the Price Administrator of agricultural commodities which are in short supply; and all those which are not so certified are to be taken from under controls, and ceilings are to be lifted. Taking the over-all production of cattle in the United States into consideration with consumption, it is my opinion that the Secretary of Agriculture would not be justified in certifying to the Price Administrator that meat or cattle are in short supply.

Mr. WILSON. I thank the able majority leader.

Government estimates for 1946 show a meat supply this year of approximately 150 pounds per capita, the largest amount available to consumers since 1911 and over 20 percent more than the 1935-39 average.

Is supply in balance with demand as a matter of law under the conference bill, and does the bill prohibit the Secretary of Agriculture from certifying that meat is in short supply under these circumstances?

Mr. BARKLEY. Is the Senator asking me another question?

Mr. WILSON. Yes.

Mr. BARKLEY. Will the Senator please repeat it?

Mr. WILSON. Government estimates for 1946 show a meat supply this year of approximately 150 pounds per capita, the largest amount available to consumers since 1911, and over 20 percent more than the 1935-39 average. My question is, Is the supply in balance with the demand as a matter

of law under the conference bill, and does the bill prohibit the Secretary of Agriculture from certifying that meat is in short supply under these circumstances?

Mr. BARKLEY. My answer is the same as before, with this variation: Of course, the Secretary of Agriculture is to be the judge as to whether there is a balance between supply and demand. The Secretary's testimony before the Committee on Banking and Currency of the Senate was that he thought that the imposition of the new quota system would improve the meat situation. When he was asked how long he thought it would take to determine that, he said 90 days. He was asked, if the problem were not solved in 90 days, what would be the remedy? His answer was, decontrol. So with the supply of meat, whether slaughtered or unslaughtered, and with the increased consumption of meat, which is due in part to the fact that people have more money with which to buy meat than they have had heretofore, and also in view of the fact that restaurants and hotels are getting a larger proportion of meat than they have had heretofore, my answer would still be that the Secretary of Agriculture would not be in a position, under those conditions, to certify that cattle or meat are in short supply.

Mr. WILSON. I thank the Senator.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILSON. I have two more questions.

Mr. TAFT. In connection with the statement of the Senator, I think it would be well to have in the RECORD Mr. Anderson's exact statement on this subject.

Mr. WILSON. I have some further questions. The Senator may insert the statement following these questions.

Mr. TAFT. It is related to this question.

Mr. WILSON. Another question is, if the majority leader will indulge me:

On January 1, 1946, according to Department of Agriculture estimates, the number of all classes of meat animals was well above the 1935-44 average. Beef animals numbered approximately 41,000,000 head, 10,000,000 head more than 1940, and 6,000,000 head more than the 1935-44 average. Approximately 39,000,000 head of dairy cattle is 3,000,000 head more than 1940, and 2,000,000 head more than the 1935-44 average.

Would the majority leader be willing to say that under the conference bill supply of beef cattle is in balance with demand, and that the Secretary would be prohibited from certifying that beef cattle are in short supply, and that, therefore, all ceilings on live cattle will be removed August 1, 1946?

Mr. BARKLEY. My answer to that question is no different from my answer to the others. It is the same question in a different form.

Mr. WILSON. That is correct.

Mr. BARKLEY. There is nothing in the conference report which would prohibit the Secretary of Agriculture from making a certification that anything is in short supply. But the Secretary of Agriculture is an honest man. He is an intelligent man. He is a faithful public servant, and I do not for a moment suggest that he would deliberately misconstrue the law so as to be arbitrary with respect to the certification of anything that is in short supply or not in short supply.

While I do not wish to impose my own opinion or judgment on that of the Secretary of Agriculture, I think he would be justified, under this formula and under the conditions which the Senator has stated, in omitting beef and cattle from a certification of those things which are in short supply.

Mr. WILSON. Mr. President, I agree with all the fine statements which the majority leader has made with regard to Secretary Anderson. But the conference committee has brought in a bill, and I am asking the Senator for his interpretation of its provisions, not Secretary Anderson's interpretation.

Mr. BARKLEY. If the figures which have been given to us, and the figures which Mr. Anderson himself gave in his testimony before the committee, are accurate—and I am sure they are—my own opinion is that beef cattle are in full supply; that there is a balance between the cattle now in existence and the demand for meat. Whether those cattle will be slaughtered or kept in pasture is another question. But they are in existence, and in my judgment that existence creates the supply, regardless of any delay which may be brought about in their slaughter, and regardless of who may slaughter them.

Mr. WILSON. I thank the majority leader. I should like to ask one further question, if he will indulge me:

On January 1, 1946, there were more than 62,000,000 hogs on farms, which is more than 1,000,000 head in excess of the figure for 1940, and 7,000,000 more than the 1935-44 average.

Under these facts, does the conference bill automatically decontrol live hogs on August 1, 1946?

Mr. BARKLEY. Does the Senator ask me if the conference bill would automatically decontrol?

Mr. WILSON. Through the certification of the Secretary of Agriculture.

Mr. BARKLEY. I believe that the production of hogs has not been increased as rapidly as that of cattle. I believe that the supply of cattle, in proportion to previous demand, or even present demand, is greater than that of hogs. My information is that for one reason or another there has been a decline in the production of hogs for the past several months. But in spite of that, if the figures given by the Senator are accurate, my answer would be the same as in the case of cattle, that there would be a sufficient supply of hogs to supply the demand for pork.

Mr. WILSON. I thank the majority leader very much.

Mr. WHERRY. I asked the distinguished Senator from Ohio [Mr. TAFT] the same questions which were asked the majority leader by the Senator from Iowa; and the Senator from Ohio stated that he too would be in favor of decontrol under the circumstances set forth in the questions. I ask unanimous consent that the colloquy between the Senator from Ohio and myself in reference to the other bill be printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. TAFT. I yield.

Mr. WHERRY. I should like to ask the distinguished Senator from Ohio a question. All the arguments which have been advanced in favor of the conference report certainly could have been advanced prior to the conference itself. I do not wish to ask a personal question; but as I understand the situation, the distinguished Senator from Ohio did not sign the conference report.

Mr. TAFT. That is correct.

Mr. WHERRY. I now understand that the Senator from Ohio is going to support the conference report.

Mr. TAFT. That is correct.

Mr. WHERRY. I wonder what has happened between the two points in time. Has anything happened which fundamentally has changed the Senator's mind in regard to the matter?

Mr. TAFT. In the first place, as a conferee I felt that I was representing the Senate's viewpoint, and I intended to insist up-

on it to the last moment. Therefore, because of my position in that regard, and also in view of the fact that I felt that a majority of my colleagues on this side of the aisle felt the same way, and because I felt that I was there in a representative capacity, I voted against the report. But I told the conferees on the part of the House that if they would take the question of decontrol to the House and have the House vote upon it, and the House turned it down, I would yield.

Mr. WHERRY. That was with respect to the decontrol of beef, was it?

Mr. TAFT. Yes.

But now I think I should vote for the conference report to continue price control for a reasonable period of time on what I think are perfectly logical and reasonable terms. I admit that maladministration may occur. But Congress cannot possibly administer any of the laws it passes. That is a chance which Congress has to take. The administration of the laws is the responsibility of the administration—in this case, of the present administration. If it falls down in the work of administration, that is its fault. It is our job to adopt what we think is the proper policy, assuming that there will be some kind of reasonable administration of the policy.

Mr. WHERRY. Mr. President, I wonder whether the Senator from Ohio has been assured in any way by the Department of Agriculture that there might be an early decontrol of meat.

Mr. TAFT. No; I simply read what the Secretary of Agriculture said. He himself said that if the slaughtering quota policy did not work in 90 days, there would be only one thing to do, and that would be decontrol. That was his opinion.

Now we give him the power to decontrol. Under the circumstances, I think he must follow the well-known position he has taken, if we give him the power to carry it out.

Mr. WHERRY. I am asking these questions because I wish to obtain the interpretation which the Senator from Ohio makes. I can readily understand why the Senator remained in complete accord with the record made in the Senate, and why he refused to sign the conference report.

Now, because it is the Senator's personal right to vote as he pleases, according to his opinion, I am asking whether he feels in his own mind that meat should be decontrolled.

Mr. TAFT. I think beef should be decontrolled. I have always been doubtful about the decontrol of pork. The decontrol of pork will decontrol corn. The two cannot be separated. The decontrol of pork will decontrol lard; and the decontrol of lard will mean the decontrol of all edible oils, of which a great shortage exists. That will force a tremendous increase in the price of fats at the present moment. I have always been doubtful about that. As a matter of policy, I tried to see whether we could separate the decontrol of beef from the decontrol of pork and the decontrol of dairy products. I think it could be done, just as a technical matter.

But I received no support upon that suggested compromise from either the conferees on the part of the Senate or the conferees on the part of the House or from other Members of the Senate. So I decided that all of it had to get together, and that we either had to decontrol beef and pork and dairy products all at once, or not decontrol any of them. I was doubtful whether the decontrol of all of them would be wise.

As to the decontrol of beef, I have no question about that, because beef has reached a point where it cannot be controlled. It has reached a point where we are bound to have a continued black market in beef if we continue to attempt to have control over beef.

Mr. WHERRY. Mr. President, will the Senator further yield to me?

The PRESIDING OFFICER (Mr. GOSSETT in the chair). Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. TAFT. I yield.

Mr. WHERRY. In the light of the statement the Senator from Ohio has just made, namely, that beef and pork and grain should all go together—

Mr. TAFT. I do not agree to that. But I said that I could not obtain any support for my view that they could be separated.

Mr. WHERRY. In view of the statement the Senator from Ohio has made relative to the short supply of pork—and I believe the Senator made such a statement—does he believe there is any chance of decontrolling any of those products during the life of this measure?

Mr. TAFT. Yes; I think beef can be decontrolled very easily.

Mr. WHERRY. Does the Senator from Ohio believe that anything in addition to beef can be decontrolled during the life of this act?

Mr. TAFT. I think probably dairy products can be decontrolled after a reasonable time.

Mr. WHERRY. Within the life of the act?

Mr. TAFT. Yes.

Mr. WHERRY. Does the Senator from Ohio believe that can be done under this act?

Mr. TAFT. Yes, of course; if there is a sufficiently large corn crop, perhaps pork can be decontrolled.

Mr. WHERRY. Is it the interpretation of the Senator from Ohio that that could happen? Does the Senator from Ohio believe it can be done?

Mr. TAFT. I think it can be done. Of course, we require the administration to decontrol all unimportant commodities by the 1st of January, before the Congress will return. Certainly we indicate our belief that the administration should decontrol the other things just as quickly as possible, and we require the Secretary of Agriculture, if he is to continue to control, to certify that they are in short supply. In other words, if the controls are to be continued, the Secretary of Agriculture must certify that the goods so controlled are in short supply. He does not need to say they are plentiful. He does not need to step in and say, "Decontrol." All he must say is that, "I cannot any longer certify that these things are in short supply." Then they must be decontrolled.

So the formula is all right, if it is administered in good faith, in compliance with the intent of Congress.

Mr. WHERRY. Mr. President, will the Senator yield to me again?

Mr. TAFT. I yield.

Mr. WHERRY. Earlier today the Senator from Iowa [Mr. WILSON] told the Senate that official Government reports show that the total meat production in the United States in 1945 was 17 percent in excess of 1941 production, more than 20 percent in excess of the 1940 production, and 20 percent in excess of the meat production average for the years 1934-44, and that meat production in 1946 will be close to the high of 1945.

Under those circumstances, does the Senator from Ohio believe that the Secretary of Agriculture could, under the conference report, certify that meat is in short supply, and thereby permit the OPA to continue price ceilings and other controls on meat after August 1, 1946?

Mr. TAFT. Yes; I think he can so certify, but I do not think he would do so. I do not know; I have not studied those figures. But the general impression from all the evidence we have would bear that out.

Mr. Anderson himself said there is no solution except decontrol if the present system fails—and it has practically failed since he testified 2 months ago. That seems to me to show that he will wish to decontrol if he possibly can. The evidence seems to show that he can, so far as I am able to analyze it.

Mr. WHERRY. I should like to ask one other question. Would the Senator from Ohio

agree with the answer given by the majority leader to the question propounded by the Senator from Iowa [Mr. WILSON] relative to the decontrol of meat?

Mr. TAFT. I agreed with his statements. I did not hear the last answer, the one with regard to pork. I agreed with the statements with regard to beef.

Mr. WHERRY. If pork were in a favorable position, as the figures which the distinguished Senator from Iowa gave for the year 1946 would show, would the Senator from Ohio agree with the position taken by the majority leader?

Mr. TAFT. In the first place, let me say that I do not know what his position was. I happened to be out of the Chamber at the time.

Mr. WHERRY. He took the same position on it as he did regarding beef, provided that the figures cited by the Senator from Iowa were correct.

Mr. TAFT. Mr. President, I am not sure about pork, because I think the figures were that there were a million head more than there were at a previous time. On the other hand, the demand for fats may have increased. I am not prepared to answer as to pork.

Mr. WHERRY. Mr. President, we must decontrol sometime. Everyone who wishes to restore this Government to the people under the American system admits that to be so. I ask, why not do it now?

When will controls be lifted? I think it appropriate that we quote some of the things that Mr. Bowles has said on this subject. In October of 1944, Mr. Bowles made the following statement in a memorandum to all members of the OPA Advisory Committees:

When will controls be lifted? We have always looked upon price control as a stop-gap, a stabilizing wartime control to be dropped as soon as production brings supply and demand reasonably in balance * * * to maintain controls needlessly even for a few extra months would be mistaken. The wartime lack of balance between supply and demand made price control necessary. When supply and demand came back into balance, price controls will not be needed. As soon as there is no further danger of price increases in a particular commodity field there will be no reason for price ceilings in that field and we will drop them. The exact time will vary widely from item to item. But, working with Industry Advisory Committees, we will watch each field closely. We will rely heavily on their recommendations as to when controls can be safely removed.

Before proceeding with further statements of Mr. Bowles, I believe, Mr. President, that it is appropriate to now point out that on April 15, 1946, the Joint Cattle, Hog, Beef, and Pork Industry Advisory Committee appointed by Mr. Chester Bowles, that being one of the advisory committees referred to by Mr. Bowles in the above-quoted statement, met in Chicago at the instance of OPA, and that this advisory committee, in faithful discharge of their official duties, considered the question of decontrolling the livestock and meat industry and acting on their intimate and practical knowledge, unanimously voted in favor of the immediate decontrol of the industry. But, in spite of Mr. Bowles' declaration that "We will rely heavily on their recommendations," the Price Administrator—the same Chester Bowles—not

only refused to pay any attention to the recommendation of this Industry Advisory Committee, but his agent who was meeting with the Committee even refused to accept the written recommendation. I leave you to pass judgment on the question of whether or not Mr. Bowles was sincere when he made the statement just quoted.

On June 16, 1945, Mr. Chester Bowles stated in a letter addressed to the distinguished majority leader, the Senator from Kentucky:

Price controls were developed solely to meet wartime conditions. We are pledged to remove these controls just as soon as the production of civilian goods and services eliminates the inflationary dangers and permits our return to a free market.

And on December 4, 1945, Mr. Bowles, in a letter addressed to the Senate Small Business Committee, said:

Save in a period of emergency, price ceilings have no place in a free economy.

On January 3, 1945, Mr. Bowles stated in a speech before American Management Association in New York City:

But there will come a time when supplies again approximate demand. At that time, price control will be eliminated first from one field and then another.

Mr. President, I could easily fill many pages of the RECORD with additional quotations from statements heretofore made by Mr. Bowles. And it would be equally easy to furnish many statements made by the present Secretary of the Treasury, Mr. John W. Snyder, when he was Director of Economic Stabilization and also when he was Director of Manpower and Reconversion. These quotations could be abundantly supplemented by statements from declarations made by Mr. John D. Small, Administrator of the Civilian Production Administration, and from earnestly given statements issued by the present Chief Justice of the Supreme Court, Hon. Fred M. Vinson, at times when he variously occupied either the position of Director of Economic Stabilization, Director of War Manpower and Reconversion, or Secretary of the Treasury. Books could be written containing nothing but quotations on this subject from many of the administrative officials from the various Government agencies.

Mr. President, I believe that the statement made by the Banking and Currency Committee is, as I have already pointed out, merely a reiteration of the previously declared policy of the Government but that this policy has never been put into practice by any of the responsible administrative officials.

Mr. President, we have made a start. Why not continue. If we must learn to walk all over again, since we have taken a few steps during the past 8 days, now let us really learn to walk, and let us do it by decontrolling livestock as is provided in the amendment. Certainly we are entitled to start with something. Certainly Congress is entitled to decontrol something. That is why I appeal to the distinguished Senator from Oklahoma not to broaden the language of the amendment. Let us confine it to one thing. If the Congress wishes to take the position that it can

decontrol one thing, namely, livestock, let us try that and see how it comes out. Is not that fair and reasonable, and does it not come within the province of the Congress? I think it does.

Mr. President, I wish to remind the Senate of the words of the Senator from Michigan [Mr. VANDENBERG], which he spoke just before he went to Paris. He was addressing the Senator from Kentucky [Mr. BARKLEY]. I now read from his remarks as contained in the CONGRESSIONAL RECORD for June 11, 1946, at page 6754:

Mr. VANDENBERG. I should like to submit this thought to the Senator for his comment: I think he is quite correct when he says that nobody can say that he knows the answer to this problem. Obviously we have got to proceed by trial and error, and I have thought heretofore in some instances we were proceeding solely by error instead of by trial. But since that is a fact and since some day we have got to take a chance on restoring free competition and full production. I wonder if it would not be worth while to make a deliberate and conscious experiment with a key industry by way of complete decontrol with the perfectly conscious understanding that none of us can say what the result will be.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER [Mr. HUFFMAN in the chair] Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. WHERRY. I yield.

Mr. ROBERTSON. The last statement is particularly interesting, in view of the expressed desire of Secretary Anderson, about a year ago. I refer to a statement he made 5 days before he took office as Secretary of Agriculture. At that time he took part in a meeting called by the Economic Stabilizer, who then was Mr. Vinson. A hearing was held with a lamb committee. That committee consisted of approximately 40 men who came from various parts of the country. They were men who were interested in the production of lambs. Two propositions were put before the meeting. The first was the complete decontrol of lamb or the removal of all restrictions whatsoever from lamb. Secretary Anderson said, "That is what I should like to see done. When I become Secretary of Agriculture, I should like to use lamb as a guinea pig, and decontrol it; and, if successful, we could extend the decontrol to other items."

That point works in exactly with what the Senator from Nebraska has just been saying.

Mr. WHERRY. Yes. I thank the distinguished Senator for his contribution. It is most timely.

Mr. President, I am glad the Senator has called to our attention something about the decontrol of lamb and the lamb situation, which certainly is just as important, if not more so, possibly, than any other branch or segment of the entire meat industry. I am glad the Senator has called attention to that statement by the Secretary of Agriculture.

In view of the evidence adduced, in view of the Secretary's position, and in view of the position the Senate has taken, I cannot see any reason or justi-

fication for not writing into this measure a provision for the specific decontrol of meat.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. BARKLEY. Since the time when the Secretary of Agriculture made the statement which has been referred to by the Senator from Wyoming, the Secretary of Agriculture has never had the power or authority to do what he then said he would like to do. We are giving him such authority under this measure.

Mr. WHERRY. I agree with the Senator from Kentucky.

Mr. ROBERTSON. Mr. President, I should like to point out that two propositions were placed before the Economic Stabilizer at that time. One was the complete removal of all restrictions regarding lamb. The other was a subsidy on lamb. The subsidy was placed into operation, after the Secretary of Agriculture took office.

Mr. BARKLEY. That is true; but the Secretary of Agriculture has no power to decontrol or to certify to the Administrator, such as we give him authority or power to do under this measure. I have no doubt that in any situation similar to that described a year ago, if he had the authority he would exercise it, as in this case.

Mr. ROBERTSON. Mr. President, I received the impression that the Economic Stabilizer overrode Secretary Anderson and selected the subsidy as the method of handling the lamb situation.

Mr. BARKLEY. No. The Secretary of Agriculture had no choice as between subsidies and decontrol. We did place in the law a provision that as regards the ceiling on agricultural products, the Secretary of Agriculture should have a voice or the right to make a recommendation, or that it should not be done without his consent. But the Secretary of Agriculture has never had the power to recommend the decontrol of any product. I am assuming that with the law as we are now attempting to write it, if the Secretary of Agriculture felt, with regard to mutton or pork or beef or anything else, as he expressed himself at that time, he would exercise the authority in that way. I would not be one of those who would say that the Secretary of Agriculture would deliberately violate his word or act contrary to the facts, if he knew what the facts were, by refusing to certify to the Administrator any situation regarding a shortage or ample supply of meat or any other agricultural product.

Mr. ROBERTSON. Mr. President, I am not saying that the Secretary of Agriculture would do so.

Mr. BARKLEY. No; but the Senator from Wyoming referred to a statement which the Secretary of Agriculture made 5 days before he took office. My point is that he never has had the power to decide whether agricultural products, including meats of all kinds, shall be decontrolled or shall be kept under controls.

Mr. ROBERTSON. I simply mentioned that to show what was in his mind, because unquestionably at that meeting he felt that when he became Secretary of Agriculture he or the Eco-

economic Stabilizer could order that all the ceilings or controls over lamb should be taken off.

Mr. BARKLEY. I was not at that meeting, and I have not read his whole statement. But I am sure he did not assume that he would have any authority over the matter after he became Secretary of Agriculture. All he could do would be to advise. He had no authority to direct what proceedings should be taken.

Mr. WHERRY. Mr. President, the testimony is undisputed that there is a surplus of 10,000,000 cattle in this country. If we are ever going to have a surplus, we have it now; and if we are ever going to have a demand, we have it now. So there is no justification for not writing a specific decontrol provisions for meat into this law.

The majority leader has a perfect right to state that the machinery is provided and that the Secretary of Agriculture will keep the faith. That is all very well; but I have only to point out to the Members of the Senate that on more than one occasion in the past year the Secretary of Agriculture has not had his way in the administration of his office. I am not casting any reflection upon him or upon anyone else in regard to that matter; but I tell the Members of the Senate that if they wish to have livestock decontrolled, specifically, and also to have poultry decontrolled, here is their opportunity to have that done; and it is my opinion that if we do not write such a provision into the measure, those commodities will not be decontrolled, regardless of how Secretary Anderson feels about the surplus.

Mr. BARKLEY. Mr. President, will the Senator yield at this point?

Mr. WHERRY. Yes; I am glad to yield.

Mr. BARKLEY. We have specifically provided in this measure that no one else in the United States shall have control over the Secretary of Agriculture.

Mr. WHERRY. No one except the President.

Mr. BARKLEY. Yes; and, of course, we could not write into the law a provision that the President should be inferior to one of his Cabinet Members. That would be a stupid thing to attempt to do.

Mr. WHERRY. I am not criticizing the machinery. I say it is there. But I say that the machinery of the measure will not be used to carry out specific decontrols in regard to livestock. I say that on the basis of past experience; and, Mr. President, I believe I have heard just as much testimony, especially the testimony in regard to meat, as any other Member of the Senate has. I sat alongside the distinguished Senator from Oklahoma on the special committee, and we heard a vast amount of testimony. I am convinced that the only way to proceed is to have Congress assert its authority, to have the Congress say what shall be decontrolled. What is the use of bickering about it? What is the use of setting up machinery and then having any doubt about it? Let the Congress of the United States say, "Here is one thing we are going to decontrol. We are going to make this one start.

We are going to see whether the people of America will cooperate."

If we are absolutely sincere and acting in good faith when we say we wish to decontrol, why do not we give that one opportunity? Out of all these controls, why do not we say, "Well, for those who feel this way, we shall give this chance"? Mr. President, why cannot we adhere to the view of the Senator from Michigan [Mr. VANDENBERG], who, before he left for Paris, stated in the Senate what I read a few minutes ago, and also stated the following:

But if it be thus done, say, with meat and dairy products for the purpose of a clinical demonstration to determine who is right and who is wrong in this perpetual argument as to what would happen under total decontrol, would it not be wise for us deliberately to make a conscious experiment with one key industry of that nature, and see if we cannot learn something by it.

Mr. President, that is good philosophy. No one will be hurt. In 1 week we have already demonstrated that we have the cattle receipts. We have already demonstrated that we can operate without Chester Bowles and without the Price Control Act. That has been demonstrated by the receipts which have been obtained thus far.

A moment ago I said that I should like to refer to the receipts in detail. I shall offer for the RECORD a statement of the receipts, as I obtained them in detail from the American Meat Institute, of Chicago. The figures of the American Meat Institute, together with the figures I gave to the Senate a little while ago, show that today, at the 12 important livestock markets all over the country, receipts of cattle amounted to 100,300 head, and the receipts of hogs at the same markets today were 83,500 head, which is unusually large for the present season of the year. The figures also compare those receipts with the receipts a year ago, which in the case of cattle were 47,000 head, and a week ago this Monday the receipts were only 27,000 head. In the case of hogs, whereas the receipts today are 83,500 head, a year ago under the Bowles plan the receipts were only 51,583 head, a week ago today the receipts were only 19,290 head, and the week before that the receipts were only a negligible amount.

So, Mr. President, I submit these statements and figures for the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

KANSAS CITY, Mo., July 8, 1946.

HON. KENNETH WHERRY,

Senate Office Building:

Cattle receipts at all markets three times larger than last Monday will sell considerably lower. Large receipts of hogs at all markets.

JOE NOLAN,
Livestock Exchange.

An early review of the livestock and meat situation this morning demonstrates that the proof of the pudding is in the eating. As we begin the second week following the expiration of price controls, we find the livestock markets of the country this morning yarding more livestock than at any time for many months, and there can and will be a more generous and orderly market supply of live-

stock if artificial price controls and other restrictions are kept off permanently.

Receipts of cattle at 12 important livestock markets all over the country today amounted to 100,300 head, as compared with only 27,491 head last Monday—almost four times the number at those same markets a week ago. Receipts of calves this morning at the 12 markets are estimated at 15,000 head, as compared with 7,748 head last Monday.

Receipts of hogs at the 12 markets this morning also were unusually large for this season of the year, amounting to 83,500 head, as compared with 19,290 head a week ago today and 41,583 head a year ago—more than four times a week ago and more than twice as large as a year ago. The early hog market at Chicago this morning opened with prices ranging from \$16.50 to \$16.75 per hundred-weight alive, which was slightly higher than last Friday but still about \$2 per hundred-weight lower than prices prevailing at that market a week ago today, the first market day following this removal of price control. The average cost of barrows and gilts at Chicago last Friday, according to the Department of Agriculture, was \$15.72 per hundred-weight alive, as compared with \$14.85 per hundred-weight, the former OPA ceiling on hogs at Chicago, an increase of only 6 percent.

The early cattle market at Chicago this morning was reported steady to weak as compared with the prices last Friday. The top today for only four loads was \$22.50, which is the same as the top for a few loads last week. The cattle market last week advanced somewhat, but the advances were small, except for the "upper crust" of cattle, which constituted only a small portion of the total market supply, and this increase was influenced some by the improved quality of steers on the market last week. For example, the average cost of all steers for last week, as reported by the Department of Agriculture, was 14 percent above the average cost of the preceding week. The price of good grade steers during that period showed only an increase of 11 percent, the price of medium grade steers only 6 percent, and the price of common grade steers advanced only 2 percent.

The substantial increase in the market supply of livestock means that there will be more meat on the table by the end of the current week. It should be understood, of course, that it takes time, after the livestock supplies are marketed in generous numbers, to process the meat and distribute the meat throughout the country.

Meat prices generally have made only moderate advances recently and have increased for the most part only by the amount of the subsidy which people have been paying in the form of taxes and which amounts to an average of at least 5 cents per pound at the retail level. In addition, many housewives have been paying high overcharges to the black market. Reliable surveys in cities throughout the United States showed that 83 percent of meat sales were over ceiling prices on meat and have varied from city to city and in some cities have exceeded the ceiling price by as much as 262 percent.

The United States Department of Agriculture in its published report New York Weekly Review of Meat Trade Conditions last week had the following to say about prices of locally dressed meats:

"Major slaughterers failed to change prices regardless of the termination of OPA ceilings. Independent slaughterers, and wholesalers handling production originating in independent slaughter houses, also operated about in line with the past several weeks."

Mr. WHERRY. Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, certain data and tables with respect to hogs and cattle, according to information supplied by the Department of Agriculture.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HOGS

Top: You will note that the ceiling price on June 29 was \$14.85. On July 1, the first day of decontrol, this jumped to \$18.50, but it immediately started settling down, so that on July 5, the price was \$16.25.

Good and choice are now only 90 cents above former ceilings.

Sows: Now \$15.12 as against \$14.10 former ceiling.

Of course, the former ceiling was a fiction as all hogs were actually selling above the ceilings.

CATTLE, CHICAGO

Top cattle: Only a few loads; are still selling at \$22.50, as against former ceiling of \$18, but these are very few in numbers.

Good cattle, 900 to 1,100: Former price June 29, was \$17.12, these cattle went to \$19.50 on July 1, but by July 5 had come down to \$18.50.

Medium: June 29 price was \$15.12, July 5 price was \$15.75.

Common: June 29 price was \$13.68, July 5 price was \$14.

Helpers: Choice have gone from \$17.40 to \$19.50, but, medium have gone from \$14.62 to \$15.88, and common have gone from \$12.48 to \$13.

Steers: Choice, 500 to 800, have gone from \$17.15 to \$17.50; good, 500 to 800, have gone from \$16.12 to \$16.50; medium, 500 to 1,000, have gone from \$14.85 to \$15.25; common, 500 to 900, have gone from \$13.55 to \$14.

The cattle situation is this: Top fed cattle, of which there are very few, have advanced about \$4.50, but other cattle have advanced less than \$1, and the average on grass cattle reported by Department of Agriculture is only about 60 cents.

Chicago: Hogs—Quotations for week ending June 15-29 and daily quotations from July 1 to date

[Dollars per 100 pounds]

Classification	Week ending—			Daily quotations (center of range)				
	June 15, 1946	June 22, 1946	June 29, 1946	July 1, 1946	July 2, 1946	July 3, 1946	July 4, ¹ 1946	July 5, 1946
Top.....	14.85	14.85	14.85	18.50	16.50	17.25		16.25
Barrows and gilts:								
Good and Choice:								
160 to 180 pounds.....	14.85	14.85	14.85	17.38	15.92	16.50		15.75
180 to 200 pounds.....	14.85	14.85	14.85	17.08	16.12	17.00		16.00
200 to 220 pounds.....	14.85	14.85	14.85	17.68	16.38	17.12		16.00
220 to 240 pounds.....	14.85	14.85	14.85	17.68	16.25	16.88		15.88
240 to 270 pounds.....	14.85	14.85	14.85	17.68	16.12	16.75		15.75
270 to 300 pounds.....	14.85	14.85	14.85	17.68	16.05	16.75		15.75
Sows:								
Good and Choice:								
300 to 330 pounds.....	14.10	14.10	14.10	16.88	15.42	15.92		15.12
360 to 400 pounds.....	14.10	14.10	14.10	16.75	15.12	15.62		14.88
Good, 450 to 550 pounds.....	14.10	14.10	14.10	16.68	15.12	15.50		14.62
Pigs (feeders): Good and Choice, 70 to 120 pounds.....								

Chicago: Weekly cattle quotations June 15-29, daily quotations July 1 to date

[Dollars per 100 pounds]

Classification	Week ending			Daily quotations (center of range)				
	June 15, 1946	June 22, 1946	June 29, 1946	July 1, 1946	July 2, 1946	July 3, 1946	July 4, 1946 ¹	July 5, 1946 ²
SLAUGHTER CATTLE								
Steers (top):								
Choice:								
900 to 1,100 pounds.....	18.00	18.00	18.00	22.00	22.50	22.50		
1,100 to 1,300 pounds.....	17.70	17.85	17.80	21.00	20.75	20.50		
Good:								
900 to 1,100 pounds.....	17.78	17.88	17.80	21.50	21.75	21.75		
1,100 to 1,300 pounds.....								
Medium, 700 to 1,100 pounds.....	17.00	17.32	17.12	19.50	19.00	18.50		
Common, 700 to 1,100 pounds.....	17.24	17.38	17.12	20.00	19.75	19.50		
Heifers:								
Choice, 600 to 800 pounds.....	15.25	15.70	15.12	16.25	16.25	15.75		
Good, 600 to 800 pounds.....	13.58	14.22	13.68	14.00	14.00	14.00		
Medium, 500 to 900 pounds.....	17.35	17.65	17.40	19.75	19.75	19.50		
Common, 500 to 900 pounds.....	16.50	16.90	16.58	18.25	18.00	17.50		
Cows, all weights:								
Good.....	14.85	15.18	14.62	15.62	15.62	15.88		
Medium.....	12.45	13.00	12.48	12.75	13.00	13.00		
Cut and common.....	15.00	15.08	14.72	15.12	15.25	15.50		
Canner.....	13.70	13.80	13.42	14.12	14.12	14.25		
Canner.....	10.45	10.48	10.30	11.00	11.13	11.25		
Canner.....	7.52	7.55	7.50	8.00	8.25	8.38		
FEEDER AND STOCKER CATTLE AND CALVES								
Steers:								
Choice, 500 to 800 pounds.....	16.95	17.15	17.15	17.50	17.50	17.50		
Good, 500 to 800 pounds.....	15.95	16.15	16.12	16.50	16.50	16.50		
Medium, 500 to 1,000 pounds.....	14.70	14.90	14.85	15.25	15.25	15.25		
Common, 500 to 900 pounds.....	13.22	13.55	13.55	14.00	14.00	14.00		
Heifers:								
Choice, 500 to 700 pounds.....	15.40	15.80	15.62	16.00	16.00	16.00		
Medium and good, 500 to 750 pounds.....	13.90	14.22	14.08	14.50	14.50	14.50		
Cows, all weights: Medium and good.....	10.75	11.05	11.25	11.50	11.50	11.50		
Calves:								
Steer, good and choice, 500 pounds down.....	16.35	16.85	17.00	17.00	17.00	17.00		
Heifer, good and choice, 500 pounds down.....	15.25	15.45	15.50	15.50	15.00	15.00		

Kansas City: Cattle—Weekly quotations June 15-29, daily quotations July 1 to date

[Dollars per 100 pounds]

Classification	Week ending—			Daily quotations				
	June 15, 1946	June 22, 1946	June 29, 1946	July 1, 1946	July 2, 1946	July 3, 1946	July 4, ¹ 1946	July 5, 1946
SLAUGHTER CATTLE								
Steers (Top).....	17.65	17.65	17.65	22.00	22.00	22.50		23.00
Choice:								
900 to 1,100 pounds.....	17.20	17.42	17.42	19.88	19.88	20.50		20.88
1,100 to 1,300 pounds.....	17.32	17.52	17.50	20.25	20.25	21.00		21.50
Good:								
900 to 1,100 pounds.....	16.38	16.70	16.78	17.50	17.50	18.25		18.62
1,100 to 1,300 pounds.....	16.50	16.90	16.85	17.62	17.62	18.38		18.75
Medium, 700 to 1,100 pounds.....	14.38	14.62	14.48	14.75	15.00	15.50		15.50
Common, 700 to 1,100 pounds.....	12.38	12.75	12.48	12.75	13.12	13.25		13.25

¹ Holiday.

² No change.

Kansas City: Cattle—Weekly quotations June 15–29, daily quotations July 1 to date—Continued

Classification	Week ending			Daily quotations				
	June 15, 1946	June 22, 1946	June 29, 1946	July 1, 1946	July 2, 1946	July 3, 1946	July 4, ¹ 1946	July 5, 1946
SLAUGHTER CATTLE—continued								
Heifers:								
Choice, 600 to 800 pounds.....	17.00	17.25	17.26	18.88	19.00	19.50	-----	20.00
Good, 600 to 800 pounds.....	15.96	16.25	16.22	16.62	16.88	17.25	-----	17.25
Medium, 500 to 900 pounds.....	13.58	13.62	13.68	14.25	14.25	14.25	-----	14.25
Common, 500 to 900 pounds.....	11.50	11.50	11.50	12.00	12.00	12.00	-----	12.00
Cows, all weights:								
Good.....	13.12	13.52	13.75	14.38	14.50	14.88	-----	14.88
Medium.....	11.50	11.82	11.88	12.38	12.50	12.75	-----	12.75
Cut and Common.....	9.80	9.55	9.50	10.00	10.00	10.12	-----	10.12
Canner.....	7.50	7.15	7.00	7.50	7.50	7.50	-----	7.50
FEEDER AND STOCKER CATTLE AND CALVES								
Steers:								
Choice, 500 to 800 pounds.....	16.88	17.00	17.12	17.12	17.12	17.12	-----	(²)
Good, 500 to 800 pounds.....	15.75	15.98	16.00	16.12	16.12	16.12	-----	(²)
Medium, 500 to 1,000 pounds.....	13.88	14.08	14.12	14.38	14.38	14.38	-----	(²)
Common, 500 to 900 pounds.....	12.12	12.10	12.12	12.25	12.25	12.25	-----	(²)
Heifers:								
Choice, 500 to 750 pounds.....	15.62	15.75	15.75	16.12	16.12	16.12	-----	(²)
Medium and Good, 500 to 750 pounds.....	13.50	13.62	13.62	13.75	13.75	13.75	-----	(²)
Cows, Medium and Good.....	11.12	11.12	11.00	11.12	11.12	11.12	-----	(²)
Calves:								
Steers, Good and Choice, 500 pounds down.....	16.50	16.50	16.50	16.50	16.50	16.50	-----	(²)
Heifers, Good and Choice, 500 pounds down.....	15.38	15.38	15.50	15.50	15.50	15.50	-----	(²)

¹ Holiday.

² No change.

Mr. WHERRY. The reports as shown by the Department of Agriculture are really more encouraging than are the reports according to the American Meat Institute. I feel that it is unnecessary to give the reports in greater detail, because we understand what they are. They show, however, that the Department of Agriculture concurs in the quotations at which the livestock has been sold in the open market.

Mr. President, I would like to present at this time, for the information of the Senate, a factual report on the basic supplies of livestock on farms, meat supplies, and estimated crop and feed prospects.

CATTLE AND BEEF SUPPLIES

First. Basic supplies of cattle on farms and ranches are at near record levels. On January 1 of this year the United States Department of Agriculture reported that there were ten and a half million more beef cattle on farms and ranches than in 1939. Mr. President, this is an increase of 35 percent.

Second. There are reported to be record numbers of grass cattle on feed in the important grass feeding areas this year. It is further reported that these cattle are in excellent condition. All indications point to the fact that these cattle will be moving to market a week earlier than normally with a possibility that 100 to 150 cars will be moving to market as early as this week.

Third. While the supplies of beef cattle on farms and ranches are excellent, the often impractical and harmful OPA regulations have discouraged proper fattening of these cattle as shown by the fact that on April 1, 1945, the USDA reported 17 percent less cattle on feed.

I am confident that the current advance in prices of from 10 to 15 percent will encourage proper feeding which will mean more beef for consumers within the next several months, and probably

more important will mean adequate meat supplies next spring. Without a well-rounded program of cattle feeding, meat supplies next year will be extremely, if not dangerously short.

PORK SUPPLIES

Fourth. The spring pig crop this year of 52,300,000 head is about 2,000,000 head larger than the average of 1939 to 1941. Pigs from this crop will start to market in the very near future. The adoption of this amendment to decontrol livestock will be an encouragement to move these pigs early, as a result of the reestablishment of the appropriate price spreads between heavy and light-weight hogs. It is a common knowledge that tremendous quantities of feed have been wasted in recent years by the feeding of hogs to abnormally heavy weights, as a result of OPA's price policies.

Fifth. The following pig crop based on intentions of farmers, as reported by the United States Department of Agriculture around June 1, 1946 will only be 29,200,000 head. This figure is 4,000,000 head less than the 1939–41 average and is 18,500,000 less than the fall pig crop of 1943. The prompt adoption of this amendment to decontrol livestock will encourage the farmers to increase the production of their fall litters and in view of the most favorable feed prospects will be a tremendous addition to our pork supplies next spring.

FEED PROSPECTS

First. Competent reports indicate a corn crop of over 3,000,000,000 bushels and there is a strong possibility of a record crop of 3,500,000,000 bushels. There is every indication that the production of wheat, corn, oats, and barley will again this year be near record levels with a total production of at least 6,000,000,000 bushels. Last year the total production of the four crops was about 5,900,000,000 bushels, which included much corn of poor feeding value. Since exports are

expected to be less in 1946–47, and since feed requirements will be smaller, trade sources are predicting that a crop of more than 6,000,000,000 bushels will be enough to make market price action independent of price ceilings.

Second. The United States Department of Agriculture Weather Bureau release on June 3, indicated that the condition of the corn crop is as follows:

The corn crop is in mostly good condition and ranges from some knee high in the northern border States to much in the roasting-ear stage in the South and in Oklahoma. Most fields are clean except where cultivation was delayed by wet soil, as in the upper Ohio Valley. Nearly half of the corn has been laid by in Kansas. In Iowa it is reported as being the best in years, with fields clean and considerable laid by.

As a further indication of the crop situation in the Middle West, I quote from reports on growing crops in Illinois, received by James E. Bennett & Co.:

GALESBURG.—Trip north and west of Galesburg; corn from knee high to fence-top high. Excellent color. Oats fine. Will be cutting in 10 days. Soybeans could not be better.

STREATOR.—Corn and oats prospects all over this territory excellent. Talked to party who has driven 1,300 miles through Illinois, Iowa, Wisconsin, and Dakotas; says he never saw corn so uniform. Good all the way.

QUINCY.—All corn laid by. Early is 5 feet high. Majority of fields 3 feet high and replanted fields 2 feet high. Excellent. Two-thirds of oats has been shocked; other is awaiting combines. Yields vary, but generally very good.

KEWANEE.—Corn crop prospect is about best ever seen. Most corn has been laid by. Fields are clean. Farmers very optimistic. Cool weather past week has just about made oat crop perfect.

FORT DODGE.—Crop prospects in this territory were never better. Most corn fields have been cultivated three times and some fields are laid by. Oats are turning fast, and with favorable weather, harvest should start latter part of this week.

STORM LAKE.—A week ago we thought crop progress of oats and corn was excellent; now we must say it is super, if such can. Oats are turning, with heads well filled. Cornfields generally clean. Ample moisture.

Turning for a moment to meat supplies, it is realized generally that OPA controls on livestock and meat have been a complete failure. If OPA is allowed to continue its reckless and impractical direction of the destinies of the great livestock and meat industries, we can look forward only to these results:

Many legitimate businesses, long established in this industry will be ruined. Specifically, I can cite these facts to the Senate. A number of meat-packing companies have been furnishing information on their cattle slaughter, by weeks, to the American Meat Institute.

These companies that normally handled 75 percent of the total cattle slaughtered under Federal inspection, only slaughtering 17 percent of the federally inspected slaughter in the last 2 weeks of June. Further, although their quota as established by the slaughter control order, was 85 percent of the 1944 base, the companies reported were only able to purchase and slaughter cattle in compliance with OPA regulation sufficient to handle 10 percent of their base period. It is indicative of the chaotic condition in the meat industry that the number of slaughterers have increased from 15,000 in 1939 to over 27,000 in 1944. Some indication of the size of the black market can be gained by realizing the fact that only 12,500 of the reported 27,000 slaughterers even bothered to apply for their subsidy payments.

Senators have heard repeatedly that the black market was causing closing down of the legitimate operators in the meat business. However, as evidence of this, I would like to quote from the May 1946 letter of the National City Bank of New York:

Within the past few months a number of the smaller packing companies have completely suspended their operations and many others have had to curtail sharply, either, because of inability to obtain livestock in competition with unlicensed slaughter houses buying and selling in the black market.

Since the first of July, in comparison with other industries, the livestock and meat industry has been free of Government price control. The results so far have been beneficial both to the consumers, to the retailers, to the processors, and to the producers. The economy has not suffered from the freedom. It is my contention that this country will not suffer if meat and livestock continues to be decontrolled. I have reported every day since July 1 on the livestock-market situation in the 12 principal markets to the Senate. Today I have again reported on the situation in the 12 principal livestock markets and I quote from a telegram I have received from the American Meat Institute, which is a recognized spokesman for the meat industry.

The complete chaos in the meat industry brought about by unenforceable OPA regulations which have bred the black market in meats has resulted in a most serious condition in the supply of pharmaceuticals, essential to the

health, yes, to the very life of thousands of our citizens. The forced curtailment of slaughter by well-established meat packers have cut down the source of supply of many pharmaceuticals derived from livestock. I am not expert in drugs and medicines, but I am willing to take the word of competent pharmaceutical houses.

Parke-Davis & Co., of Detroit; Wilson Laboratories, Chicago; Eli Lilly & Co., Indianapolis; G. D. Searles, Chicago; and other important drug houses reported in letters and telegrams appearing in testimony before the Senate Committee on Agriculture in April of this year, indicates that the continued drop in slaughter by established packers would result in a most desperate situation in the supply of essential drugs and pharmaceuticals.

I am informed that the USDA is now being importuned by pharmaceutical houses and hospitals to take immediate action to safeguard the only main source of supply for essential pharmaceuticals, such as insulin, adrenalin, liver extract, and other essential medicines. Black-market operators neither have the facilities or the desire to take steps to save these essential pharmaceuticals. The responsibility for the health and the life of thousands of our citizens depends on the immediate channeling of livestock into legal channels. This can only be done through this amendment.

This situation is described better than I possibly can describe it by Secretary of Agriculture Clinton P. Anderson, in his testimony before the Senate Banking and Currency Committee on Wednesday, May 1, 1946, and I quote:

But every time you allow a carcass to fail to go into an integrated plant or a well-organized plant where they save the ordinary byproducts, you cause trouble all the way down the line.

For example, you lose the tankage. Tankage is very important to us right now from the standpoint of feed for livestock and as it now stands we lose all that when 500 head go to a firm that normally handles 7,000. And we lose lard, and we lose a great many other things that we ought to have. The whole butchering operation is carefully done.

And every day we hear of something else that we are losing because of it. I happen to be a diabetic and take insulin every morning and I find myself in a situation where insulin is rather scarce because firms do not handle the things as they should handle them and as the regular packers are accustomed to handling them.

Mr. President, there are many, many other reasons why livestock and meat should be decontrolled. I do not wish to consume too much of the time of the Senate and I will not develop many of these reasons which justify and require the amendment under consideration. But there is one further reason that I wish to present to you in some detail, and this reason is, without doubt, not only a complete justification for the amendment but it should be a firm prohibition against further efforts to administratively control the livestock and meat industry.

The Government's effort to control the livestock and meat industry lasted for over 4 years. During that period of time I am sure that anyone who is familiar at all with the situation would unhesitatingly state that the meat program

attempted by the Office of Price Administration was probably the worst effort that ever was attempted in any industry. To use the words of the distinguished majority leader, "The meat situation is a national scandal." It is not my purpose to go into the perfectly obvious reasons why this program has been such a disgraceful failure. I shall merely discuss the facts without making an effort to show why they are facts.

In the first place, if 4 years of intense effort on the part of OPA to evolve a practical and workable program resulted in nothing better than a national scandal, then I for one will accept the conclusion that no workable program of artificial controls can be evolved for this industry. No one can accuse the people working on these programs for OPA of failing to try. The record is clear on that. Every conceivable plan has been initiated and tried out. Yet not one of them has worked. I do not know how many people have been employed in this particular section by OPA, but I do know that the number runs into thousands. And it is a matter of record that at least 113 general orders have been issued affecting the livestock and meat industry, and some of these orders are hundreds of pages long. Now these are general orders and regulations. And these general orders and regulations have been amended 1,114 times, some of the amendments likewise being hundreds of pages long. We can certainly say that OPA's attack on this front has been "en masse," although we cannot say that it has been the least bit effective.

And I would challenge the wisest lawyer in the land to read these refutations that have been issued by OPA and then tell me what they mean. The complexity of the industry is recognized, but even if adequate allowance is made for such complexities, it is difficult for me to see how such a mass of orders and regulations could have been produced with such uniform adherence to the pattern of lack of clarity. I have read many—but not all—of these orders and regulations, and I have tried to learn what they meant. Today I am almost as completely unaware of the meaning of these regulations as I was before I read them. I sometimes think that it would be better never to read them. At least the mind would not be so confused.

The confusion that pervaded the industry as a result of these academic and impractical plans, programs, and edicts coming out of OPA cannot be overestimated. Four years ago when the Government started the program of price controls I know that the attitude of the entire livestock and meat industry was one of complete cooperation. I have talked with people from every segment of the industry and I know that, in the beginning, everyone wanted to see the program a success and full cooperation was assured. We were in a war and the sons of the older men in the livestock and meat business were helping the sons of the other American parents fight that war. It was a very personal thing to all of America, and the American farmer, the American ranchman, and the American packers and processors have nothing to be ashamed of when

their respective war efforts are weighed in the scale of patriotism. But these people engaged in this industry were quickly told by the first group of people running the OPA that cooperation was not as necessary as submission. They were told that the edicts of the price-controlling agency would be the supreme law of the land and that blind submission to these edicts, without criticism or objection, was the order of the day. Such practices never suited the American people. The very concepts that they believed the war was being waged to save were so ravished by some of the silly and impractical things coming out of OPA that the feeling of cooperative support gradually degenerated into one of self-protection. People whose patriotism cannot be questioned became highly critical of the inept and inane efforts of administrative agents who so consistently followed the pattern of confused futility. And when complaints were so nonchalantly filed away into the limbo of oblivion and constructive suggestions were contemptuously brushed aside with the terse statements that the "agency would run the show," then the attitude of the American people changed. And I say, without the slightest hesitation, that not one single program or plan affecting the livestock and meat industry that OPA has attempted has been even partially successful.

And then the war ended. Instead of a relaxation in the program of impractical controls, there seemed to be a redoubling of efforts to control the entire industry. OPA began issuing more and more regulations and more and more orders, all following the same pattern of impracticability. The situation became so acute and so disastrous to those people in the industry who wanted to live within the law, even though that law was disastrously impractical, that a searching and detailed study was made and the results were and are most startling.

From this study it was learned that, although we had the tremendous cattle population that has been mentioned above, and although we were laboring under the administrative guidance of 113 general orders and over 1,100 amendments to those orders, the meat industry was completely out of control. The detailed, complex, and confused and confusing regulations served only one purpose. They kept the legitimate handlers of meat out of business and they built up vast fortunes for those who ignored the so-called law. It was found that over 80 percent of all retail meat stores in the country were selling meat at black-market prices, and that over two-thirds of all meat sold was being sold at over-ceiling prices. It was shown that the well established, legitimate, federally inspected plants were operating only at from 10 to 20 percent of their capacities. And the cause of all this was and is the impracticability of the program attempted by OPA. And, Mr. President, you will recall that all of this took place while we had not only an abundant supply of cattle but even a surplus and while the demand for meat was higher than it had ever been in this country, which demand was supported by the biggest purchas-

ing power ever held by the consuming public. The situation is ridiculous, illogical, and again quoting the distinguished majority leader, it was and is a "national scandal." It is positive proof to me that this is an industry that, because of its very nature, is not susceptible of the artificial controls attempted to be imposed by OPA.

Mr. President, I recently read a statement issued by Mr. Chester Bowles, spokesman for the Government in such matters, and was astonished to learn that Mr. Bowles rather boastfully stated that he had been in communication with leaders of the labor organizations in an effort to obtain from them a promise of a no-strike agreement for 1 year provided rigid price controls were kept on agricultural products. The effect of this statement on me was exactly the opposite to that desired by Mr. Bowles. Mr. President, I believe that this is still America, a country that was born in freedom and nurtured on personal liberty. It is shocking to me that a high Government official should officially attempt to enslave one segment of the country and one branch of our economy just in order to appease another branch, and then brag about his efforts. His conduct was shocking and shameful to me. I do not believe that here in America we must use the freedom of one branch of our economy as the pawn for the appeasement of another branch. And I know that agricultural people all over this country resent the false position of the appeasement medium that has been thrust upon them. We should adhere to the principles and policies that have so often been declared to be the Government's purpose and not attempt to hold controls where controls are unwarranted, and especially where they are directly and disastrously harmful.

Mr. President, I can and I do see great good coming from the adoption of this resolution. I see the meat industry taken out of the clutches of the vultures who have grown so strong through black-market operations; I see the system of distribution returned to its normal function; I see cattle being brought into the market after a reasonable fattening in the feed lots; I see the tables of the consumers adequately supplied with meat bought legitimately at prices not exceeding the present illegal prices that are being so freely paid. And above all, I see the great moral benefit that will come from the destruction of the immoral black market, and I see a free and a happy people performing their function of producing food for their brothers to eat, and from which strength and fortitude of mind and body can and will develop to enable us to fight and conquer the problems that will arise.

Mr. President, I sincerely hope that the Senate will approve and adopt this amendment.

Mr. President, I conclude with an appeal. I ask that controls be removed. I assert that if we do not write decontrols into the proposed act there will be no decontrolling of prices of any kind in connection with commodities and articles which the public must have. That statement may be proved by an examination of 4 years of the admin-

istration of Chester Bowles. If we do not decontrol, to what will we revert? We will revert to black-market operations. There are some in existence at the present time. Take, for example, the lumber situation. It is black-marketed from one end of the country to the other. Take almost any other leading industry; it is black-marketed from one end of the country to the other. Meat is no exception. Do we want to fasten permanently that kind of a situation on the American people? Do we want to continue to violate the law of this country? Do we want to make a bootlegger out of every housewife and black-market racketeers out of many other persons? If so, let us enact the joint resolution without any provision in it for decontrolling. I believe that it would be a sad commentary upon this great body if, for one moment, it hesitated to agree to an amendment decontrolling meat. Mr. President, the situation which now exists will not result in our obtaining more meat. We can not feed cattle on black market corn unless we sell them at black market prices. As the Senator from Georgia has said, there will be a scarcity, the like of which we have never dreamed of in this country, unless we eliminate controls. If I ever prayed in my life—believe me, Mr. President, I pray about these matters—it has been that we decontrol meat and preserve respect for law and order. I appeal to Members of the Senate to vote for the decontrolling of meat and see what will happen. If we can bring back respect for law and order in the meat business, perhaps we can continue to decontrol other American industries and return them to operations under the American system. We owe it to our 23,000,000 young people. I hope and pray that we may put into the hearts and minds of American boys and girls respect for law, and prove to them that there is still an opportunity for young men and women to succeed in the American way and not be compelled to submit to regimented control by one man who, like a czar, attempts to write the entire economy of the United States of America.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MOORE. I wish to make one observation. The Senator from Nebraska has been discussing what would be the effect on the price of meat if we decontrolled meat and meat products. I wish to point out that we have had 1 week of the production of meat on what might be called a free market. What has happened during that time, and what appears to be the disposition of the businessmen toward the avoidance of inflation?

Mr. President, I hope the time will not be long before we shall come to the final conclusion of what should be done with reference to extending price controls. I am of the opinion that the businessmen of America are well aware of the dangers of runaway prices and the dangers of inflation. I believe that the businessmen of America have more at stake than do the controllers or the bureaucrats with reference to what happens or does not happen in this country.

In that connection, Mr. President, I invite attention of the Members of the Senate to statements which have been made by various business organizations.

I wish to read an article which appears in today's issue of the Wall Street Journal. It states as follows:

NAM MEMBERS PLEDGE NO INCREASE IN PRICES AS OPA CONTROLS LAPSE—INDUSTRIES ANTICIPATE RISE IN PRODUCTION UNDER FREE MARKET CONDITIONS

The National Association of Manufacturers announced it had received hundreds of telegraphed assurances from manufacturers throughout the Nation pledging themselves not to take advantage of the lapse of the Office of Price Administration.

The NAM declared that the abolition of price control is a "challenge to industrial statesmanship." Members had been asked to cooperate in holding prices to the present line.

An automotive parts manufacturing president said that the company's policy is "to hold prices as low as possibly we can, and it is our opinion that no law can long endure that is not based on the principle of supply and demand."

A flour-manufacturing company reiterated its policy of helping to prevent inflation, and said it is "not advancing prices above OPA ceilings."

Another large corporation said, "No price changes are contemplated on any of our products and we expect all our distributors and dealers to adhere rigidly to present schedules."

An Ohio roller-bearing firm reported, "Our company contemplates no immediate increase in prices even though our costs show an increase should be made now to put our company on a profit-earning basis."

A Pennsylvania pipe foundry and machine company asserted, "Our policy is to retain present price levels generally and perhaps without exception which is assurance that no short-sighted advantage will be taken of the current situation."

An Indianapolis manufacturer said, "We contemplate no immediate revision of existing prices. We will continue our policy of many years to produce the best quality of products at the lowest possible cost."

A glassworks in New York State declared: "We shall not increase prices because of the absence of Government regulations. Our objective during the 95 years of our existence has been to make more and improved products selling at lower and lower prices, which has resulted in the employment of more and more people, and this policy continues."

An Alabama textile manufacturer said, "We will continue to conduct our business (as though) under OPA controls."

A Connecticut manufacturer wrote, "We have made no increases in prices and hope none will be necessary. In fact, certain price increases previously authorized by OPA and in process of printing for distribution to the trade have now been suspended pending developments in a free market."

A Virginia industrialist asserted, "Our prices remain unchanged and expect to follow this policy."

From upper New York came this response: "No price changes are contemplated on any of our products. We shall expect all our distributors and dealers to rigidly adhere to present schedules and to immediately advertise this fact to the public. Our neighbors are our customers and we will treat them fairly."

An Ohio stove manufacturer briefly stated, "We are making no price changes whatsoever at the present time."

From a Wisconsin automotive-parts manu-

facturer: "Proceeding as if OPA is still in effect."

An Ohio coal company wired: "Neither our companies or coal industry in general have any intention to take advantage of removal of price controls and we have so notified our customers."

Mr. President, if the Senator from Nebraska will indulge me a moment longer, I should like to say that I was never more convinced of anything in my life than that if the economic and business interests of the United States could be free from price controls production would increase, prices would level off, and our economy would go along with increased production. Once again, freedom of enterprise would be restored. If newspapers, radio commentators and propagandists throughout the country would cease their activities for a time and give businessmen an opportunity to show just what is developing since the OPA was abandoned and we were given a week of freedom, they would certainly meet with a great challenge on the part of the American businessmen. If today the American businessmen cannot rise to the challenge, we are doomed eternally to price controls. My candid opinion is that the extension of price controls for another year will continue to stifle the determination of American business to carry on its program, as it has always carried it on to the great credit of the American people and the American way of life. If we allow price controls to continue for another 12 months we will then confront a similar situation, and in the meantime there will have been failures and bankruptcies throughout the country.

I think the way American businessmen have recognized the responsibility which rests upon them is a very encouraging sign, and very inspiring. No one has as much concern as the businessman has in seeing that he can run his business, and run business as a whole, without destroying the very things which made this country great. I thank the Senator for yielding.

Mr. WHERRY. I thank the distinguished Senator from Oklahoma. I now yield the floor.

Mr. BARKLEY. Mr. President, the Senator from Oklahoma asked the Senator from Nebraska what had happened in regard to prices since the lapse of the law. I have here two tables, one of them taken from the Bureau of Labor Statistics, the other taken from the New York Journal of Commerce. These are very interesting figures, which I hope Senators will bear in mind when they decide, or think they have decided, that there has been no change in the cost of living during the past week.

The Bureau of Labor Statistics figures show that, on an index of 100 in August, 1939, 28 basic commodities have increased from 199.4 to 216.8 in the week of June 28 to July 5. The index of these 28 basic commodities on June 28 was 199.4, and on July 5 the same index for these 28 basic commodities was 216.8 percent.

Twelve foodstuffs taken from the list of these 28 basic commodities on June 28 bore an index of 229.6, as compared with 100 in August, 1939. On July 5 the index was 268.8, or an increase of 17.1 percent in a week.

Sixteen raw industrial commodities bore a relationship of 179.1 on June 28 and 184.4 on July 5, or an increase of 3 percent.

The New York Journal of Commerce figures, based upon an index of 100 on August 31, 1939, show the increase in the prices of 30 sensitive commodities, the figures being, as of June 28, 202.1, on the 5th of July 224.7, an increase of 11.2 percent during that week.

Grain went from 297.3 to 353.7, or an increase of 18.8 percent.

Food on June 28 occupied an index of 171.1 on July 5, an index of 211.5, or an increase of 23.5 percent.

The price of textiles in the week did not increase.

The price of metals went up from 141.9 to 148.2, an increase of 4.4 percent.

Miscellaneous items taken from 30 sensitive commodities went from 189.3 to 199.2, an increase of 5.2 percent.

Mr. President, I ask unanimous consent that the tables from which I have been reading be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Daily indexes of commodity prices, from June 28, 1946

	June 28	July 1	July 2	July 3	July 5	Percentage increase, June 28 to July 5
BUREAU OF LABOR STATISTICS						
(August 1939=100)						
General index (28 basic commodities).....	199.4	206.5	208.0	216.4	216.8	8.7
12 foodstuffs.....	229.6	245.3	246.4	267.6	268.8	17.1
16 raw industrial commodities.....	179.1	181.3	182.9	184.4	184.4	3.0
NEW YORK JOURNAL OF COMMERCE						
(Aug. 31, 1939=100)						
Daily index (30 sensitive commodity prices).....	202.1	215.9	220.2	227.8	224.7	11.2
Grains.....	297.3	336.2	354.0	362.0	353.7	18.8
Food.....	171.1	172.7	188.0	208.2	211.5	23.5
Textiles.....	210.9	212.5	211.0	210.8	210.9	0
Metals.....	141.9	141.9	145.2	148.2	148.2	4.4
Miscellaneous.....	189.3	216.2	202.6	209.7	199.2	5.2

Office of Price Administration, Division of Research, July 8, 1946.

Mr. BARKLEY. Mr. President, I have here also newspaper reports in which it is claimed that wholesale food prices hit a 26-year high last week.

I ask unanimous consent to have printed in the RECORD at this point an article by Mr. Jerry Bakst with reference to the increase in wholesale food prices.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHOLESALE FOOD PRICES HIT 26-YEAR HIGH—
RAW MATERIALS ON THE WAY UP, SO WATCH
OUT!

(By Jerry Bakst).

Wholesalers and retailers today continued pledging themselves to "hold the price line," but, strategic raw materials used in the manufacture of finished goods were on the way up.

Raw material and manufacturer prices are the important ones to watch now. Macy's or Hearn's or a Ford dealer, for example, just won't be able to hold the line on the goods they sell if the materials used in manufacturing those goods go up.

Thus higher lumber prices mean more expensive homes; a rise in steel will jack up the price of automobiles, pots, pans, washing machines and a thousand other things; in lead, higher prices for piping and paint; and copper, increases in cooking utensils, pipes, and alloys.

And they're going up:

Pig iron: At Birmingham, Ala., Associated Press reported, the Sloss-Sheffield Steel & Iron Co., increased the price of pig iron \$3 a ton. The Woodward Iron Co. billed its current shipments as "subject to reinvoice." Sloss-Sheffield's new price would bring the cost of No. 2 foundry iron—the principal merchant grade iron—to \$25.88, f. o. b. Birmingham.

Steel: Officials of leading steel companies were not hopeful of achieving capacity production because scrap and pig iron, used in making steel, are in short supply. Steel officials were watching the tight pig and scrap situation anxiously, knowing that any rapid increase in prices would start at that level. So the \$3 a ton pig boost in Birmingham, if it sets the trend, would indicate steel price boosts later. Iron Age, national metal-working trade paper, said that steel prices would remain unchanged in the immediate future. However, it predicted: "Over the long pull, taking in probably the next 6 to 12 months, steel prices are expected to advance on most items."

Lead: St. Joseph Lead Co., largest single producer of lead in the country, yesterday announced a 15-percent boost to 9½ cents a pound, 1¼ cents above the OPA ceiling that expired Sunday midnight. This action was taken to offset the cut in Government subsidy that went out with OPA. Other companies are expected to follow suit.

Zinc: American Smelting & Refining, and American Zinc, Lead & Smelting fixed 9½ cents a pound as the price for western slab zinc on an f. o. b. East St. Louis basis, which brought zinc above the former ceiling price, too.

Copper: For 2 days following termination of OPA ceilings and subsidies on nonferrous metals, no domestic producer made any quotation for copper. Nor were copper company officials making any statements, pledges, or promises.

Lumber: Prices of lumber, already 90 percent above the former OPA ceiling prices, continued to rise yesterday, United Press reported from St. Louis. Pine sold for \$80 per 100 feet, \$5 above the black market top. It was reported that a southern pine mill had offered lumber in unlimited quantities for \$10 above the former OPA ceiling. Lumbermen, meanwhile, predicted a 5-10 percent boost on various types of flooring, a 14 percent increase in softwood. Softwood manufacturers had applied to OPA for a 20-percent hike, and were allowed 6 percent. Now, with no controls, they will take the other 14 percent. Northeastern hardwood producers had applied for 10 percent, were allowed 7, and have now announced they will take the remaining 3 percent.

Coal: Mine operators are discussing higher prices.

Oil: The trade is predicting a 25 percent jump per barrel.

Mr. TAFT. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Did I understand the Senator to say that the basic index on food prices had gone up 129 points already under price control?

Mr. BARKLEY. No; I said nothing that even sounded like that.

Mr. TAFT. I understood the Senator to say that the base was 100, and that on June 29 it was 229.

Mr. BARKLEY. I said that taking August 1939 as representing 100, 12 foodstuffs, according to the Bureau of Labor Statistics figures, on June 28 occupied a relative figure of 229.6, compared with 100 in 1939, and that that had gone up from 229.6 to 268.8, an increase of 17.1 percent.

Mr. TAFT. What astonishes me is to have someone officially admit that foodstuffs have gone up 129 percent since 1939. They practically did not go up at all for 2 years. Now it appears that all this price control has resulted in an increase of 129 percent in the price of foodstuffs. In the World War, which is pointed out as the great example, foodstuffs actually increased only about 75 percent. The total increase was 162 percent in the cost of living, and the food figure was considerably less than that.

Mr. BARKLEY. I think the Senator is confusing the increase in the price of food with the general increase in the cost of living. These are the figures from the Bureau of Labor Statistics, comparing August 1939 with June 28, 1946. Also the other set of figures are taken from the New York Journal of Commerce on a little different basis, but the percentage of increase, according to that table, from the 28th of June to the 5th of July, was higher than that taken from the Bureau of Labor Statistics.

Mr. TAFT. Does it state what part of that increase was due to the removal of subsidies?

Mr. BARKLEY. No; there is no analysis; it is merely a straight set of figures showing the increase in the costs.

Mr. TAFT. But the removal of subsidies in the cost of milk, for instance, means an increase of 25 percent by itself, in that one case. In the case of meat, it must be very close to 25 percent. So the increase that is referred to—which, incidentally, is an increase over supposed prices, not black-market prices, over which there may be no increase—in those cases at least is no more than that caused by the removal of the subsidy.

Mr. BARKLEY. Whatever the cause, the figures show in one table that 12 foodstuffs have gone up 17.1 percent, and under the other table it appears they have gone up 23.5 percent. Part of it may have been accounted for by the removal of the subsidies, but whatever the cause, the housewife who has been required to buy these foods has been compelled in 1 week to pay this increase in cost.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Is not the Senator again confusing the cost of living with the

wholesale price? I understand these are wholesale price indexes.

Mr. BARKLEY. These are wholesale prices.

Mr. TAFT. Not what the housewife paid.

Mr. BARKLEY. Everyone knows that by the time a wholesale price is passed on by the distributor and the retailer, and the increased percentage has been pyramided, the price will be more.

Mr. TAFT. The general rule is that the wholesale index has increased very considerably more than the retail index.

Mr. BARKLEY. We know that whatever increase takes place in the wholesale price of any commodity is passed through the various hands of distribution, and when it gets to the retailer there is as a rule a larger percentage of increase than in the mark-ups of wholesale prices.

Mr. TAFT. With due respect to the Senator, if the price of wheat doubles, the price of bread does not double, it goes up only about 25 percent.

Mr. BARKLEY. The price of bread may not, but the price of all sorts of things made from flour doubles.

Mr. President, I have here also an editorial from the New York Times of last Friday entitled "The Price Holiday," which I ask to have printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PRICE HOLIDAY

Mr. Truman's veto of the price control extension bill was the logical outcome of the all-or-nothing policy followed by OPA officials and the administration. The bill would have kept rent control intact. Under it no increases in any commodity prices would have been required for 30 days. No increases under the Taft amendment would have been required for at least 60 days. The President could have signed the bill, even if his objections had been warranted, but told Congress that he regarded it as at best a stop-gap measure, and called for the prompt passage of a better one. Instead, Mr. Truman, at the same time as he spoke of "the great calamity which will befall this country if price and rent control end at midnight Sunday," announced the veto which brought this "calamity" about. In the attempt to force Congress into giving him everything the President has got, so far, nothing.

The need of the moment is to end the present uncertainty without delay. As Congress almost unanimously favors the resumption of rent control, the quickest way to end the most important uncertainty is to pass immediately a simple separate resolution extending rent control for a year, and then to deal with the much more controversial and difficult problems of general price control. But the President's lieutenants in Congress, faithful to the administration's previous strategy, refuse to do this. This refusal is based on the fear that if they permitted Congress to restore rent control separately they might not be able to get from it all the price control they want. Once again they are gambling with an all-or-nothing policy, or something very close to it. And once again the gamble may be lost.

Meanwhile neither these leaders nor the administration seem to recognize how profoundly the situation has been changed—psychologically, legally, and economically—by the lapse that has been allowed to occur in price control. What we have today is not a free market but a bewildered one.

No one knows whether or when controls will be reimposed, nor at what level, nor under what conditions. Legitimate industrial and trade buying is being paralyzed by fear of a later price roll-back. No processor, manufacturer, wholesaler, or retailer knows whether, if he pays higher prices, now legal, in order to continue employment and production, he will be allowed to pass on the increase later, or whether he will be penalized by being forced to take a loss under restoration of old ceilings. No one knows whether price contracts entered into now will in a few days or weeks be recognized as legal. Businessmen may be assured that a retroactive price law would be unconstitutional, but they may not know how this will be interpreted in their particular case, and it may be little satisfaction to them to know that they will be entitled to expensive and long drawn out litigation.

The lapse of price control alters the situation in many other ways. It has meant a stop in subsidies. It has carried consumers and buyers over the first psychologic shock of paying some higher prices. In a few lines a flood of supplies, in spite of uncertainties regarding price-control resumption, has started at the producers' end of the pipe line. The most important function that might have been achieved by the price-control extension bill vetoed by the President was to taper off price controls in an orderly manner. But it may come to seem foolish to reimpose price controls in order to taper them off. This would be equivalent to throwing the consuming public into the water, then fishing it out and telling it to wade in cautiously. If price control is reimposed now, as it nears the termination point again, supplies will once more dwindle as producers and sellers await the time when they will be removed. Will the country want to go through this inevitable transition trickle all over again?

Last night the Senate Banking Committee approved a new 1-year price control bill, for which Senator BARKLEY predicted Presidential approval. Delays and amendments are probable, however. Meantime Congress and the administration might do well to consider whether the time for over-all price control has not passed, and whether the time for selective price control has not arrived. This would imply that there should be no wholesale reimposition of ceilings under the old blanket formula. Instead of ceilings being removed only by specific exemption, they could be reimposed only on selected commodities which would have to be specifically and separately named. These could include only major items in the cost of living and only items that were in severely short supply. The power would be retained to ration these. In fact, the question might be raised whether it was desirable to put price ceilings on items that did not have to be rationed.

Meanwhile, regardless of what program is considered, there could well be considerably less hysteria regarding the price rises that are already alleged to have taken place. Some of these price rises represent no more than the removal of subsidies. Others merely translate former black-market prices into legally recognized prices. There is good reason to think, for example, in spite of the rise in official price indexes (which systematically refused to recognize anything but OPA ceilings) that in important lines like meat real average prices paid may have declined.

Mr. BARKLEY. Mr. President, I also ask to have printed in the RECORD at this point an editorial from the Baltimore Sun of July 5, entitled "Prices in the Economic Twilight Since OPA Lapsed."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PRICES IN THE ECONOMIC TWILIGHT SINCE OPA LAPSED

Yesterday Senate leaders thought they might get an OPA extender bill onto the floor today. The bill, backed by Senator BARKLEY and administration forces, though opposed by Senator TAFT and his Republican friends, is a pared-down version of the bill which the President vetoed.

Some of the technically difficult phases of the so-called Taft amendment of the original bill are dropped in the new proposal. It retains, however, the gist of the earlier idea that OPA ceilings should be made more sensitive than in the past to upward shifts in costs.

A major change is the dropping of 1941 as a base year for figuring profits and the substitution of 1940. The significance of this shift is suggested by a recent compilation which showed return on net worth of leading manufacturing firms to have been 12.4 percent in 1941, but only 10.3 in 1940.

In the meantime, what of price trends in the curious economic half light which has prevailed in the interim between the lapse of OPA Sunday at midnight and the prospective enactment of another extender bill? So far the most sensitive prices have been in foods; and, in foods, meats and dairy products have advanced most.

This is hardly out of line with the expectations. Both dairy and meat prices have been held down hitherto by subsidies. With the end of OPA came the end of the subsidies. Milk prices and meat prices went up almost at once, milk prices by about the extent of the subsidy, meat prices by a margin somewhat wider than the subsidy. In Baltimore, for instance, a variety of subsidies in effect and scheduled to go into effect shortly, totaled up to 3 cents on the quart of milk. Dairies are now announcing price advances of 4 cents, with a 1-cent refund provided for the return of bottles. Meat subsidies in the local area evened out at about 5 cents a pound. Local meat prices have advanced from 5 cents up, an average perhaps being around 10 cents. As for the general and national situation, the Dun & Bradstreet wholesale price index for 31 food commodities was up to \$4.54 on Tuesday, as against \$4.35 a week earlier.

But, measuring the tendencies, certain precautions have to be kept in mind. To begin with, wholesale prices in all lines have long been on the rise. OPA granted many substantial increases in the 6 months prior to its demise. The substantial round of wage increases allowed since VJ-day has had an inevitable and a permeative effect. Nonfarm increases have in turn translated themselves to farm prices by way of the parity formula.

The result is indicated by Government figures. With 1926 prices taken as 100, wholesale prices in all commodities went from 105.9 to 112.7 in OPA's last year. The rise in farm commodities was better than 10 points, from 130.1 to 140.3. In other words, it was never true that OPA kept prices rigidly level. The end at which everyone aimed, including the congressional backers of the vetoed bill, was not static prices, but orderly adjustment to the economic realities.

That is still the problem, though differences still exist as to how it is to be achieved. The price trends since the OPA lapse indicate that the rise is continuing and that orderly management thereof is just as urgent as ever. Wholesale price increases mean rising pressure on retailers and, though retailers in many lines have showed a commendable desire to maintain price stability, they cannot in the long run ignore inflation in their own business costs.

Insofar as orderly management of these forces can be secured by statute, such a statute is plainly as necessary as ever and congressional enactment of a law acceptable to the other branches of government is thus still high on the must list.

Mr. BARKLEY. Mr. President, in the Baltimore Sun of Saturday, July 6, there is an article entitled "Meat Prices Range to 50 Percent Above Ceiling." I ask that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEAT PRICES RANGE TO 50 PERCENT ABOVE CEILING—SUPPLY SHORT; MOST STAPLE FOOD ITEMS STEADY

With meat supplies short throughout the city, retail prices yesterday ranged from prior OPA ceilings—adhered to by virtually all chain stores and most independent retail outlets—to 10 to 50 percent above ceiling prices charged by market stall operators.

Prices on most staple items of food are steady. Wholesale prices on corn products such as starch and sirup are being increased as the result of higher quotations by manufacturers. Some price increases, authorized by OPA last month, to be effective on July 1, have been instituted by food products manufacturers.

PACKERS HOLD PEA PACK

With the subsidy removed from peas, packers are holding their 1946 pack until the situation clarifies. If, however, subsidies are not restored the price of peas may be advanced substantially, spokesmen for the industry said.

One cleaning-fluid maker, who had been granted a price increase by OPA, effective July 1, yesterday wired local distributors he had rescinded the projected price hike.

Wholesale grocers yesterday told retailers that the increase in the price of raw milk would be reflected in higher prices for evaporated milk and similar items.

RESTAURANT BOOST EXPECTED

The 3-cent hike in the price of milk from 15 to 18 cents per quart is expected to result in a boost in the price of milk at fountains and restaurants of 1 cent per half pint. However, only a few outlets raised the price to consumers yesterday.

Fountain managers expressed the belief they would absorb the increased cost of milk in an effort to hold prices of milk drinks to prior OPA ceilings.

In the case of milk it was pointed out by a spokesman for fountain operators: "We have, during the war, absorbed two prior increases in the price of milk. We can't be expected to absorb a third, and most of us see no way out except to add 1 or 2 cents to the price of milk served our patrons."

FOOD BILL INCREASED

The increase in the price of milk, announced July 4, and recent increases in the price of bread will boost the food bill for nine institutions maintained by the Catholic Charities of the Diocese of Baltimore \$18,320 annually, the Very Rev. Msgr. John Daly, director of charities declared.

"The increased cost of bread and milk is going to seriously upset the budgets for these institutions," Monsignor Daly explained. He expressed the belief no special appeal for funds would be made, but predicted that if the increases are permanently retained this will create an operating deficit this year, and that would have to be made up when we appeal for funds next year.

INSTITUTIONS INVOLVED

The institutions involved are: St. Vincent's Infant Home, St. Vincent's Male Orphanage, St. Mary's Villa, Dolan Aid Children's Orphan Asylum, St. Patrick's Boys Orphanage, St. Leo's Italian Orphan Asylum, St. Francis Home, St. Elizabeth's Home, and St. Peter Claver's Home.

T. J. S. Waxter, head of the department of welfare for the city, declared "that the increase in the cost of bread and milk and other

items makes it virtually impossible for relief clients to make ends meet."

He explained that food allowances to those on relief are predicated on costs as of May 1943, and that there has been no upward revision of our allowances either for food, rent, or clothing since that date.

FIFTY-PERCENT INCREASE CITED

A 50-percent increase in the price of meat purchased for State-maintained institutions, announced yesterday by the office of the department of budget and procurement, gives an accurate picture of the situation that faces housewives here.

Last week commercial-grade beef carcasses were bought for \$18.80 per hundredweight. The most recent purchase was made at \$28 per hundredweight, an increase of \$9.20 or just slightly under 50 percent above the prior OPA ceiling.

Though the anticipated rise in receipts of livestock at the Union Stockyards failed to materialize prices held firm and failed to reach levels set last Tuesday.

OUTSIDE ORDER BUYERS

Baltimoreans will get but little of the limited quantity of meat sold here on the hoof yesterday. The buying was predominantly by outside order buyers who had the market virtually to themselves since leading packers, eyeing the prospect of extended OPA price controls, remain unwilling to risk buying at overceiling prices.

A load of 39 top grade, grassfed steers yesterday went for \$20 per hundredweight, compared with an OPA ceiling of \$18.60 last week. But young and medium grade cows sold for \$14.50 and \$15 and heavy sausage bulls for \$16 to \$16.25 per hundredweight.

Only 75 calves received here yesterday, brought \$18 to \$19 or slightly above ceilings. Barrows and gilts brought 25 cents per hundredweight less than Wednesday's closing figures, with sows down 75 cents per 100 pounds. Prices for the most wanted hogs ranged from \$15.25 to \$16.75, compared with prior ceilings \$14.50 per 100 pounds.

SHEEP BRING \$18 TO \$19

Seventy-five sheep brought \$18 to \$19 per hundredweight, with only a few lambs offered. The price remained similar to Wednesday's figures.

A shopping tour of local markets showed a wide disparity in prices, with many stall operators adhering to OPA prices—except for having added sufficient sums to cover subsidy payments which went out when OPA died.

But these stalls had much less meat, it was observed, to offer than stalls which asked 10 to 50 percent more for their meat than prior OPA ceilings.

A North Avenue market stallkeeper sold sliced bacon, grade A, for 48 cents per pound; a retail store near Lexington market charged 42 cents a pound; a Broadway market stall, 46 cents, and a neighborhood store, 55 cents. The last OPA ceiling was 43 cents per pound.

PORK ROASTS 44 CENTS

Whole pork roasts were offered at one Lexington market stall 44 cents per pound. (OPA ceiling, 36 cents.)

Stalls in Lexington Market sold smoked ham, butts at 48 cents per pound, with stores nearby asking 45 cents. In Broadway Market the same meat went for 42 cents a pound. (OPA ceiling, 34 cents.)

Ground beef could be had in several stalls at Lexington Market for 40 cents, and in a nearby store at 35 cents, while in North Avenue Market it was priced at 45 cents. (OPA ceiling, 30 cents.)

Sirloin steaks were available in Lexington and North Avenue markets at 55 and 70 cents per pound, respectively. (OPA ceiling, 44 to 46 cents.)

PRICES VARY IN AREA

Round steak, bone in, sold for 45 cents a pound and 53 cents a pound at stalls 100

feet apart at Lexington Market. (OPA ceiling, 45 cents.)

Round steak, boneless, was sold for 48 cents by a Lexington Market stallkeeper, while a nearby competitor got 60 cents. (OPA ceiling, 48 cents.)

Loin lamb chops brought 52 cents and 59 cents a pound at different stalls in Lexington Market, while across the street a store sold such chops for 61 cents a pound. In North Avenue Market one stall set a price of 62 cents, another 90 cents a pound, with others asking 65 cents, 72 cents, and 75 cents. (OPA ceiling, 61 cents.)

RIB ROAST OF BEEF

Rib roasts of beef could be had in Lexington Market for 39 cents a pound, and in North Avenue Market at 45 cents and 48 cents. A West Baltimore store asked 38 cents a pound. (OPA ceiling, 36 cents.)

Pork chops, loin, sold in Lexington Market for 70 cents a pound. (OPA ceiling, 36 cents.)

Cooked Smithfield hams were quoted at \$1.25 per pound by one of the leading retail distributors here, who hastened to declare he hadn't had such a ham to offer in more than 2 months, and a like price was quoted by another retailer who said he received his "last quota of Smithfields 6 weeks' ago." (OPA ceiling, 95 cents per pound.)

Smithfield ham—unavailable—was quoted at 70 cents per pound. (OPA ceiling, 55 cents.)

Egg prices held firm yesterday in both wholesale and retail markets.

Butter was quoted in markets at 10 to 11 cents per pound above prior ceilings, but grocers had difficulty replenishing depleted stocks because distributors—believing that Congress will restore subsidies—are unwilling to pay the above-ceiling prices asked by producers.

Mr. BARKLEY. Mr. President, in the New York Herald Tribune of Saturday, July 6, there appeared an editorial entitled "A Prompt Remedy or None," referring to the hiatus with reference to price control, which I ask to have printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A PROMPT REMEDY OR NONE

The difficulty of reimposing Federal price and rent control after its lapse of a week is becoming increasingly apparent. It will become more apparent as the days drag by while the Senate engages in bitter debate over Senator BARKLEY's substitute for the Taft-Wherry amendments to the original bill extending the Office of Price Administration, the amendments principally responsible for its veto.

The situation, deliberately precipitated by the President is, without exaggeration, desperate. His objections to the extension bill, and especially to the Taft and Wherry amendments, may or may not have been justified (the operation of the measure could alone have supplied the proof one way or the other). But he should have signed it and then, and if and when its faults became manifest, called for its modification.

But enough of recrimination. The thing to be done now, it seems to us, is for Congress to pass and for the President to sign, with the least possible delay, a statute restoring price and rent control for the time being. A very temporary restoration of the old law, as voted promptly and overwhelmingly in the House, could have been the immediate solution had the Senate shown any inclination to follow suit. But with that apparently out of the question let's either have a new law in a hurry to provide business with a guide to its future commitments or an

equally prompt decision to abolish OPA forever.

We would sincerely prefer that it be continued, but without the rigid controls whose abuse so hampered production and with a guaranty of its gradual liquidation and a return of the country to a free economy. The OPA, as it was administered by Mr. Chester Bowles, was stupidly prolific of black markets and shortages, and of very natural resentments which flowered into a strong suspicion that the object of its very large personnel, from Director down, was not so much to combat inflation as a perpetuate itself in power. Regardless of Mr. Bowles' sudden resignation, or because of it; and the President's equally dramatic veto of the extension bill less than a day later, causing the present unstable and intolerable conditions, that suspicion is still widespread. It should be dispelled with an unequivocal promise to the people of the country that whatever new price harness Congress may devise will not only fit more comfortably but will be removed with alacrity when it has served its purpose.

Mr. SMITH. Mr. President, I approach this subject from a little different angle than do some of the previous speakers. I was a supporter of the bill recommended by the Banking and Currency Committee. After that bill was passed by the Senate and went to conference I supported the conference report, and I hope very much, Mr. President, to be able to support the bill which has now come to us from the Banking and Currency Committee. But I should like to make a few observations before I state definitely what my position is, because it seems to me that some matters which have not been touched on should be included in the situation. In the first place, I feel that we have been led astray by a good deal of noisy propaganda throughout the country with respect to the terrible things that will occur if this happens or if this does not happen. I think the propaganda has been vastly overdone. I raise my voice in protest against the prediction of dire things which no one knows will happen or will not happen. I will admit being in doubt as to whether we can continue controls successfully or whether we can safely decontrol. I admit that with my background I feel that if we can remove controls we will soon get back to a normal condition.

But I was interested in reading yesterday, Mr. President, in some of the Sunday newspapers the observations of some well-known economists. I forget now their names, but the names are unimportant. What they point out is that whether we have continuance of control or whether we take off controls entirely, the result is not going to be very much different. If controls are continued we are going to have a rise, through black markets or otherwise, of somewhere between 20 and 25 percent in all costs. The figures read by the distinguished Senator from Kentucky indicate that that is the natural movement that comes from the situation now present. If we remove controls there will be a rise. These economists suggest that the differences are not going to be great, and their line of thinking does not proceed in the same direction. They say that we are over-looking in the heavy argument as to whether we should or should not retain controls, some other factors which have

to do with inflation, and which have been entirely forgotten in this whole discussion.

I rise simply to state that I agree with the suggestion made by the distinguished Senator from Nebraska that it is proper at this time for us, in light of our difference of opinion, at least to make a test case. The distinguished Senator from Michigan [Mr. VANDENBERG], as he was quoted here, and I heard him make the statement, and I was in a small group with him and Mr. Bowles when the suggestion was made, said: "Why not decontrol one commodity and see what would happen?" Why should we not take meat? Why should we not take livestock, which has gotten completely out of hand, which has gone through the black market, and which has given us more trouble than anything else? It is admitted by everyone that we have failed in handling the livestock situation. Let us take meat, decontrol it, and see what happens. It certainly could not be worse than the present situation.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. MOORE. The same thing that applies to livestock, which has gotten out of control in the livestock market, applies to the grain and feed situation, does it not?

Mr. SMITH. I think it is logical to assume it has, but I was simply suggesting the principle. Let us take one commodity and use it as a guinea pig—the expression was—to see who are right; those who claim that decontrolling at this time will bring into effect the law of supply and demand, which will take care of the situation after a few days, perhaps 30 or 60 days, of rising prices, and that then there will be a settling back because of the law of supply and demand; or whether they are right who contend we have to keep these controls, which tighten up the whole picture from the standpoint of the producer. What we are all interested in is production. Production is the only thing which will ultimately answer the problem of inflation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BARKLEY. I recall the colloquy which took place between the Senator from Michigan [Mr. VANDENBERG] and myself in connection with making guinea pigs out of some one commodity. I recall that I suggested also that if we could make a guinea pig out of some one commodity without making guinea pigs out of all the American people, it might be worth the experience, but that in the process of making a guinea pig out of a cow, out of cattle, out of meat of any kind, if we made guinea pigs out of the whole American people the experiment might not be so successful. That is the difficulty about picking out one commodity and making a guinea pig of it. When one of the most important articles of American food, of the American table is picked out and made a guinea pig of, to use the common expression, we run what seems to me to be an unnecessary risk of converting the whole American

economy and the whole American food table into a guinea pig. I think there is the difficulty also that we cannot make one guinea pig without making another or half a dozen others. If it is desired by some to make a test case out of one commodity, there are many others who would wish to make test cases out of other commodities. That was shown in the Senate when we brought in the previous bill. The Committee on Banking and Currency decontrolled poultry, dairy, and livestock products. On the floor petroleum was taken out and tobacco was taken out. Instead of having one guinea pig we will have a dozen guinea pigs, and all we will have finally is guinea pigs and no law.

Mr. SMITH. The distinguished Senator will recall that he suggested that tobacco be taken out because he thought there was no reason for controlling it.

Mr. BARKLEY. I said that I did not believe there should be control over tobacco. My State is a tobacco-producing State, and we have felt that there ought to be no ceiling prices on tobacco. I had that feeling, not because tobacco was produced in my State, but because I felt there was no need for control over it. It is a question whether control over tobacco has had any influence on prices. But, be that as it may, inasmuch as these three commodities and their derivatives were decontrolled, and then petroleum was decontrolled, and inasmuch as a motion was made to decontrol tobacco I felt that if the other commodities were going to be controlled I would certainly not vote against decontrolling tobacco. But that is the very evil of congressional control. It spreads out. It grows on what it feeds, until we have a bill to decontrol instead of a general piece of legislation.

Mr. SMITH. I think the Senator will concede, however, that we never had a worse situation than the meat situation was before we came to the end of price control. And the Senator will concede that since we came to the end of price control, cattle have moved to Chicago and Omaha and other markets. That is something very significant. I can see no possible danger in our decontrolling meat and then waiting to see what will happen. If we get into a terrible jam we can always act in an emergency. I can see no reason why we cannot follow the suggestion of the Senator from Nebraska and attempt the decontrol of meat and livestock.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BARKLEY. I understand that men honestly entertain different views and honestly differ about the question. With all due respect to the argumentative ability of any of us, I doubt whether anything any of us say will have very much influence on the vote of any of the rest of us.

Mr. SMITH. I agree with the distinguished Senator about that. I was merely suggesting my own approach.

Mr. MOORE. Mr. President, will the Senator yield for a question?

Mr. SMITH. I yield.

Mr. MOORE. The majority leader just now said that no matter what any

of us may say it would not have much influence on how others of us would vote. In that connection I want to observe that in the 1 week's time we have now had to hear from the country great encouragement has come to all of us, I know, as we have read our mail and as we have read observations that have been made in newspapers, if we have read with an open mind. I do not believe there is a Senator who has not felt that if we had a little more time we could meet and answer the wild predictions which have been made by the radicals. I might say, with respect to inflation. I tried to read into the RECORD certain articles, and to make my own statement in the RECORD respecting the desirability of the Congress taking some time for consideration of the matter. We have now had a week to consider the effect of decontrol. I think what has happened in that week's time has been encouraging to all of us who are concerned about this matter, and that we have ground for belief that we will get along all right without any price control.

In that connection, if the Senator will bear with me, I want to read into the RECORD a very short statement made in a contribution to a Washington newspaper which I think is apropos of what we are talking about today. I have just read into the RECORD statements made by business interests widely scattered throughout the country.

Mr. SMITH. Mr. President, could I yield the floor to the Senator in a moment when I finish my few remarks?

Mr. MOORE. Yes.

Mr. SMITH. I should like very much to conclude my remarks. I said a moment ago that in this discussion we have gotten into a good deal of heat and argument about the actual question of continuing price control or discontinuing it. As I said, I supported the bill heretofore presented. I supported the conference report, and I hope to support the bill now before the Senate. But we are overlooking some important matters in connection with inflation that have not entered into this price-control discussion at all. I shall read now briefly from an editorial which appeared in the New York Herald Tribune of Tuesday, June 25, a page editorial by a friend and constituent of mine, Mr. James H. McGraw, Jr. I shall not read the entire article, but will ask that it may be placed in the RECORD at the conclusion of my remarks. I read the points in his article which I wish to emphasize. He says:

THE BASIC TASK NOW

The danger that prices and wages will get to chasing each other around a ruinous spiral arises, of course, from the accumulation during the war of an enormous sum of money that could not be spent because about 40 percent of the Nation's production was being devoted to war. Men were paid wages and profits for making artillery shells. The shells were exploded. The money remains. It has piled up until the people's backlog of cash spending power, in one form or another, exceeds \$225,000,000,000—three times the total in 1939.

More than that, banks hold \$115,000,000,000 of Government securities—a sixfold increase since 1939.

These securities can serve as the basis for an expansion of bank credit of many times their volume.

The first and basic task of preventing runaway prices is: Get this huge accumulation of purchasing power, actual and potential, under some kind of effective control.

He makes six points as to basic remedies along this line. I am placing them in the RECORD because they apply in the discussion of inflation, and I hope that the administration is giving serious consideration to these points.

Mr. McGraw continues:

Here is a rough outline of the key elements of a basic program:

1. Cut public expenditures to the bone and let tax revenues accumulate as business volume increases—perhaps broadening the tax base at the same time.

2. Tighten the terms on which installment credit is available for the purchase of houses, automobiles, and other consumers' goods.

In that connection he points out that if the people can go to the banks and borrow money on easy terms, they have that much more cash, which they would otherwise be spending, to increase the inflationary trend.

3. Restore to the Federal Reserve System its lost control over the supply of credit by limiting the opportunities for credit expansion now afforded by huge bank holdings of Government securities.

That is a suggestion to the Federal Reserve System to do something in this connection.

4. Revise a vigorous campaign to sell Government Savings bonds and other Government securities to the public.

Sale of Government Savings bonds cuts down current consumer spending. It also allows the Treasury, if Government spending is held down, to retire Government bonds which the banks hold.

5. Prevent a speculative inventory boom of the sort which preceded the post-World War I business collapse in 1920 and 1921.

6. Maintain controls on exports in order to keep within reasonable limits the impact on our market of huge foreign demand.

He points out that these points should be given attention, and that reasonable controls should be continued, although he feels that the more we can let the controls down so as to let production find its place the sooner we shall get rid of the situation we are facing.

I ask unanimous consent that the entire editorial by James H. McGraw, Jr., president of the McGraw-Hill Publishing Co., which appeared in the New York Herald Tribune of Tuesday, June 25, 1946, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OPA Is DYING—WHAT NEXT?

It is now clear that direct price control of the OPA type is on the way out, if not by legislative limitation then by administrative collapse.

It is equally clear that we are by no means past the danger of a swirling upsurge of prices.

Then does it follow that the passing of OPA need be tantamount to a decision to let 'em rip?

It does not.

While the OPA machinery is grinding to a stop, we can bring into play more fundamental measures to keep prices within safe limits—and to allow private management a wider area of freedom. What this article proposes is a framework of control within which private business judgment can oper-

ate. Therefore, this preamble speaks directly to our friends in the business community.

Now is a time for unrelenting self-restraint by business management. As price control disintegrates, business must scrupulously hold to prices which, after covering costs, yield normal profit margins. Business has everything to lose and nothing to gain if its price policies emulate the excessive wage demands made by some unions.

True leaders of business sense the danger. They do not want to price themselves out of their markets. They do not want the tag of price hogs. They do not want a buyers' strike. All management must practice the self-restraint which characterizes the wisest leaders among us.

WHAT WASN'T DONE

Virtually all responsible economic analysts agree that if direct price control is eliminated and nothing else is done, prices will move upward. The only serious disagreements are: How far? And for how long?

Some careful and competent forecasters believe that, if all price control is lifted, the official cost-of-living index will shoot up at least 25 percent within a year. Some of them think that wage rates will chase right after prices, forcing new price increases until the whole operation ends in a dizzy crash.

Others agree that prices will go up all right, but they think that increased production, made possible by disentanglement from OPA red tape, will bring them down again fairly soon.

Recent developments seem to support those forecasters who think that wage increases would chase right after price increases and thus keep "the inflationary spiral" spinning toward a ghastly fall. Unions already agitate for a new round of wage increases to offset price increases which have occurred in the few months since the last round of wage increases.

Therefore, the prudent course would have been to clean up the OPA price-control system, to keep it in place for a limited period as a stopgap, and, meanwhile, to arrange to replace it with more fundamental controls, provided the Federal Government itself stopped promoting excessive wage increases. The greatest single contribution to the wrecking of the OPA has been the holes driven in price ceilings by Government-promoted wage increases.

But now the stopgap is being eliminated, and the fundamental controls are not in place. Their erection becomes urgent.

THE BASIC TASK NOW

The danger that prices and wages will get to chasing each other around a ruinous spiral arises, of course, from the accumulation during the war of an enormous sum of money that could not be spent because about 40 percent of the Nation's production was being devoted to war. Men were paid wages and profits for making artillery shells. The shells were exploded. The money remains. It has piled up until the people's backlog of cash spending power, in one form or another, exceeds \$225,000,000,000—three times the total in 1939.

More than that, banks hold \$115,000,000,000 of Government securities—a sixfold increase since 1939. These securities can serve as the basis for an expansion of bank credit of many times their volume. A dollar of bank credit will, of course, buy as much as a dollar of cash.

The first and basic task of preventing runaway prices is: Get this huge accumulation of purchasing power, actual and potential, under some kind of effective control.

A second task is to see that no unnecessary additions are made to the flood of purchasing power overhanging the market. A third task is to get the productive machinery of the country running at top speed so that it can take up the accumulation in an orderly way,

not in a boom-bust sequence. We shall talk here only about the first two of these tasks.

Are there ways of getting at the root cause of a disastrous wage-price spiral which are being neglected? There are many of them. Attention has been distracted from them by building up the battle over OPA as the Armageddon of price stabilization. It is important. But it is not Armageddon. If everything that Mr. Bowles and his associates want done by way of price-control legislation were done, the problem of price stabilization would still remain unsolved in the continued absence of a program to deal effectively with root causes.

BASIC REMEDIES

Here is a rough outline of the key elements of a basic program.

1. Cut public expenditures to the bone and let tax revenues accumulate as business volume increases—perhaps broadening the tax base at the same time.

Now, if ever, is the time to run a surplus and to use it to retire debt. Immediate upward pressure on prices would thus be removed and the burden of carrying debt when the going gets tougher later on would be relieved. A \$10,000,000,000 surplus of Federal, State, and local revenues during the next year might not be too much.

An increase in social-security taxes, as the House Ways and Means Committee proposes, offers one of a number of good ways to increase revenues. Deferring public works not immediately needed affords one of numerous ways by which substantial cuts in expenditures can be made.

2. Tighten the terms on which installment credit is available for the purchase of houses, automobiles, and other consumers' goods.

Left to run a free course, expansion of credit to buy houses and durable consumers' goods might easily add \$15,000,000,000 to consumer purchasing power next year. No such injection of credit is needed now. The more a man buys on time the more cash he keeps to spend on something else. For most products the cash market alone is more than big enough to keep producers busy and customers healthy.

3. Restore to the Federal Reserve System its lost control over the supply of credit by limiting the opportunities for credit expansion now afforded by huge bank holdings of Government securities.

The specific measures needed are highly technical, but are agreed upon by banking experts as both feasible and fair. The important thing for the public at large to do is to recognize that we are, in effect, sitting on a powder keg with lighted match in hand until the measures are taken.

4. Revive a vigorous campaign to sell Government savings bonds and other Government securities to the public.

Sale of Government savings bonds cuts down current consumer spending. It also allows the Treasury, if Government spending is held down, to retire Government bonds which the banks hold. Thus, it simplifies the problem of keeping bank credit within safe bounds.

5. Prevent a speculative inventory boom of the sort which preceded the post-World War I business collapse in 1920-21.

This involves a continuation of the loose controls of inventories now exercised by the Government. In more important degree it involves well-informed cooperation by bankers and businessmen to keep inventories from being expanded unnecessarily.

6. Maintain controls on exports in order to keep within reasonable limits the impact on our market of huge foreign demand.

Emergency foreign relief requirements must be met. But foreign demand which is enormous apart from relief requirements must be kept under control until the danger of having it send prices of export products soaring is past.

BREATHING SPACE FOR BUSINESS

This program would deal with causes, not symptoms. Hence, if promptly and efficiently installed, it would do a far better job of keeping the general level of prices and wages within tolerable limits than the OPA type of price control ever could have done—even if OPA had not been so often and so badly mismanaged. The program would also do this without tying up American business in a myriad of irritating and discouraging individual regulations. It would establish broad bounds within which business enterprise would be free to be itself, not a branch of bureaucratic enterprise.

The program proposed here also has the major virtue of flexibility. If prices start to reverse their present upward course within another year, the major parts of the program can be adjusted or removed quickly.

It would be gratifying to suggest junking at once all arrangements designed to place limits on price movements, even broad limits of the sort here suggested. But to do nothing while OPA falls apart, would be to run the grave risk of a runaway of prices and wages which, in the inevitable collapse, would do irretrievable damage to the business community and to the whole Nation.

The risk is not worth taking.

JAMES H. MCGRAW, Jr.,

President, McGraw-Hill Publishing Co., Inc.

Mr. MOORE. Mr. President, I wish to take a brief time to express my views as to what ought to be done with reference to price control. I think it is well understood that I believe that the best thing to do would be not to revive price control at all. I believe that if time were given us, if we had 10 days' additional time for the people to catch their breath after the termination of price control, proof would be offered to us that we would be better off, and that the business interests of this country would be able to take care of themselves without any controls.

I recognize that every day and every hour of the day radicals or zealots are predicting dire things which will happen if we do not reimpose price controls. In that connection, I wish to invite attention to a letter which expresses my views pretty well as to what is happening to stir up the fears of the people. It is a contribution to the Washington Post. I read it verbatim, because without specifically making any appraisal of the Washington Post, it applies to other means of communication as well as the Washington Post. The writer says:

Ordinarily I am pleased with the Post's editing and reporting, but feel that your treatment of price control has been sadly deficient. The Post of July 2 seems particularly faulty. When a nation is in need, there should be no doubt that a greater service can be rendered by leaders of thought in presenting the calm reassurance of fact rather than by crying "wolf, wolf." Accordingly, the appearance of the first page and numerous inside articles is both surprising and disappointing.

Specifically, your first-page headings: "Rising prices seen starting inflation riot" (the slanted opinion of administration economists) and "Butter, poultry prices soar with end of OPA"—

These are the scare headlines which are appearing in the newspapers—and subheading "Some Maryland and Virginia landlords hike rents \$90 and \$15," all seem designed to create hysteria rather than allay it. Your editorial and pictures add to that impression. You are, of course, entitled

to an editorial position on any subject, but one would hardly expect this to be expressed on the first page of a reputable paper with such statements as "Rent-hike jitters swept the Capital's fringes" and "Prices of butter and poultry zoom upward * * * threats of addition price increased appeared on the horizon."

I am quoting from headlines from the Washington Post and other newspapers throughout the country.

The instances of rent increases may be accurate reporting but honest service to the public should require a statement of what is the general experience and what are the facts behind the exceptions. Herein I feel you do grave injustice to numerous business concerns, particularly those of Washington who have advertised through your paper their intention to do their utmost to maintain retail prices as established by OPA regulations or to resist increases insofar as possible. Double injustice is done because an atmosphere of hysteria destroys any appeal to reason. Business, in attempting to create public confidence and price stability, should not have to offset the effects of the press.

Not only has your handling of price control overlooked the self-evident attitude of reputable businessmen but it omits telling the story of those who would be responsible for setting prices in the first instance if OPA is discontinued, if you will, the story of those who persuaded Congress that relaxation of OPA controls was necessary. An inquiry to the local office of the National Association of Manufacturers discloses the fact that they are following plans laid some time ago to recommend that its members exert every effort to maintain price stability if OPA controls go. Another inquiry to the Chamber of Commerce of the United States discloses the issuance of a letter, under date of July 1, to all member organizations urging "unrelenting restraint * * * upon their members, both buyers and sellers * * * preventing unwarranted price increases." The chamber, of course, represents all shades of opinion concerning OPA.

Why aren't these calmer developments given at least equal attention with the spectacular exceptions? Also, since price control should be justified only as a protection where supply is seriously less than demand, why hasn't some reportorial effort been spent on telling those facts? If one relaxes from the hysteria over price control to think of the remarkable job the United States did in so short a time toward girding itself and our allies for a successful war on a worldwide basis, common sense would require the conclusion that in almost 11 months since VJ-day we must surely have restored a balance of supply and demand in most fields. Why hasn't your staff, so adept in explaining complex economics as international finance, described the simpler economics of supply and demand?

Why create the false impression that all price increases are due to the present attitude toward OPA? Why not explain that the Administration wage policy has long since made numerous price increases inevitable, furthermore, that it provides that wage increases approved by the National Wage Stabilization Board be a basis for OPA price adjustments (increases, decontrols, etc.) have jumped from 47 in the month of September 1945, the month after VJ-day, to 138 in April and over 280 in May, many resulting from wage increases? Why not explain that the transfer from tax-supported, subsidized prices on farm and other scarce products to competitive prices requires higher costs to the consumer, but that he stands to save in taxes? Why not explain that the artificial shortage of foods created by our participation in famine relief means a temporary un-

balance of supply and demand and prices of such items? Doesn't an impartial and complete news service to the public demand these full facts, rather than creating the impression that all price increases are due to the present attitude of Congress toward OPA? *

FRANCIS E. SIMMONS.

WASHINGTON.

Mr. BARKLEY. Mr. President, it is obvious that we cannot obtain a vote today on the pending amendment. I have no desire to try to force it to a vote today. However, I hope that we can obtain a vote tomorrow at as early an hour as possible on the pending amendment.

I do not contemplate asking the Senate to sit this evening, but beginning with tomorrow evening, I hope Senators will make arrangements to remain here during the evening, until we conclude consideration of this legislation. I shall move that the Senate take a recess until 12 o'clock noon tomorrow, because I am compelled to be at a committee meeting from 10 to 12. Therefore I shall not ask the Senate to meet at 11.

I believe there is no Executive Calendar.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHITE. Do I correctly understand that it is the Senator's purpose to hold the Senate in session during the evening after tonight?

Mr. BARKLEY. Yes. After tonight it is very desirable that we make speed in connection with the pending legislation; and beginning with tomorrow night I hope the Senate will be willing to remain in session during the evening.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Thomas P. O'Donovan, of Illinois, to be United States marshal for the northern district of Illinois, vice William H. McDonnell, resigned;

Eugene J. Smith, of New York, to be United States marshal for the eastern district of New York, vice Spencer C. Young, resigned;

William T. Mahoney to be United States marshal for division No. 1, District of Alaska; and

Stanley J. Nichols, of Alaska, to be United States marshal for division No. 4, district of Alaska, vice Joseph A. McDonald, whose term expired July 7, 1946.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 4 o'clock and 37 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, July 9, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 8 (legislative day of July 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

George H. Butler, of Illinois, now a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

GOVERNOR, TERRITORY OF HAWAII

Ingram M. Steinback, of Hawaii, to be Governor of the Territory of Hawaii. (Reappointment.)

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidate for promotion in the Regular Corps of the United States Public Health Service:

Assistant Surgeon Jacob C. Wagner to be senior assistant surgeon, effective July 1, 1946.

SELECTIVE SERVICE SYSTEM

Oliver Harold Folk for appointment as administrative officer, national headquarters, Selective Service System, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

Compensation for the position of administrative officer, national headquarters, Selective Service System, will be at the rate of \$7,102.20 per annum.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Denzil G. Dorrill, Banks, Ala., in place of H. E. Sellers, resigned.

Kathryn M. Hodges, Mount Olive, Ala. Office became Presidential July 1, 1946.

ARKANSAS

James F. Wright, Trumann, Ark., in place of L. F. Strickland, resigned.

CALIFORNIA

Edith C. McCright, Highgrove, Calif., in place of R. F. Jackson, resigned.

Geraldine R. Ferry, Milpitas, Calif., in place of J. C. Rose, resigned.

Laura B. Huglin, Pescadero, Calif., in place of F. M. C. Enos, retired.

Elijah A. Russell, Yolo, Calif., in place of E. A. Hadley, retired.

CONNECTICUT

Marian E. Ryan, Plymouth, Conn., in place of J. E. Bradley, resigned.

ILLINOIS

James E. Pollard, Cerro Gordo, Ill., in place of E. E. Dallas, deceased.

Frances E. O'Connor, Wataga, Ill., in place of F. C. Pierson, resigned.

INDIANA

James A. Shrack, Dunkirk, Ind., in place of T. D. Hart, resigned.

KENTUCKY

Thelma G. Nixon, Luretha, Ky., in place of L. A. Kelly, resigned.

Harry Greene, Milburn, Ky. Office became Presidential July 1, 1946.

MASSACHUSETTS

William P. Twohig, East Longmeadow, Mass., in place of S. E. Malone, removed.

MICHIGAN

Edith E. Osborn, Mecosta, Mich., in place of C. E. Osborn, resigned.

Peter J. Trierweiler, Portland, Mich., in place of S. A. Horning, resigned.

Clair S. Carvell, Vicksburg, Mich., in place of M. A. Hill, transferred.

MISSOURI

Eugene Edgar Plemmons, Brumley, Mo., in place of V. M. Smith, resigned.

William E. Sisk, Henrietta, Mo., in place of J. G. Rider, resigned.

James F. Dent, Salem, Mo., in place of E. A. Seay, retired.

NEVADA

Anna E. Larson, Rio Tinto, Nev., in place of P. G. Clary, resigned.

NEW HAMPSHIRE

Lewis C. Darling, Hampstead, N. H., in place of J. R. Frost, retired.

NEW YORK

Abram Rifenburgh, Livingston, N. Y. Office became Presidential July 1, 1944.

George F. McNamara, Waterville, N. Y., in place of C. G. Brainard, deceased.

NORTH CAROLINA

Lucy M. Shore, Cycle, N. C., in place of A. R. Sale, transferred.

OHIO

John F. Shell, Basil, Ohio, in place of F. G. Orr, resigned.

Esther Swerlein, Dola, Ohio, in place of W. G. Kahler, deceased.

Ethel B. Knight, Ostrander, Ohio, in place of F. L. Decker, transferred.

PENNSYLVANIA

Henry K. Bauman, Allentown, Pa., in place of E. S. Diehl, retired.

Isobel Fiamoncini, Atlas, Pa., in place of Elsie Halkowicz, deceased.

Ebon B. Bower, Bellefonte, Pa., in place of G. R. Meek, resigned.

Susan B. Ozegovich, Chestnut Ridge, Pa. Office became Presidential July 1, 1945.

Thomas C. Ferron, Cochranville, Pa., in place of W. W. McGinnis, deceased.

Frank Coletti, Hibbs, Pa., in place of L. J. Kordella, resigned.

William B. Lewis, Irwin, Pa., in place of M. G. Cummings, deceased.

Lois K. Solomon, Melcroft, Pa. Office became Presidential July 1, 1945.

John Petts, Ronco, Pa. Office became Presidential July 1, 1944.

Mary K. Wagner, South Connellsville, Pa., in place of M. C. Duke, resigned.

RHODE ISLAND

Clifford T. Barber, Potter Hill, R. I. Office became Presidential July 1, 1945.

VIRGINIA

Katherine B. Munt, Prince George, Va., in place of R. B. Bailey, deceased.

WISCONSIN

Gordon W. Amundson, Emerald, Wis. Office became Presidential July 1, 1945.

Henry J. Dieruf, Morrisonville, Wis. Office became Presidential July 1, 1945.

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 8 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MOORE to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 6, between lines 11 and 12, insert a new paragraph as follows:

- 1 (4) Nothing contained in this Act shall be construed
- 2 to authorize the Administrator to impose or maintain price
- 3 controls with respect to any nonagricultural commodity,
- 4 unless the Price Decontrol Board established under sub-
- 5 section (h) shall have first determined and certified in writ-
- 6 ing to the Administrator that the supply of such commodity
- 7 is insufficient to meet the domestic consumptive demand
- 8 therefor.

AMENDMENT

Intended to be proposed by Mr. Moore to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 8 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

79TH CONGRESS
2^D SESSION

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 8 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. Moore (for himself, Mr. THOMAS of Oklahoma, Mr. REED, Mr. CAPPER, Mr. O'MAHONEY, Mr. ROBERTSON, Mr. EASTLAND, Mr. O'DANIEL, Mr. WILLIS, and Mr. McCLELLAN) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 6, between lines 11 and 12, insert a new paragraph as follows:

- 1 (4) Nothing contained in this Act shall be construed to
- 2 authorize the Administrator to impose or maintain price
- 3 controls with respect to petroleum and petroleum products
- 4 processed or manufactured in whole or substantial part from
- 5 petroleum, unless the Price Decontrol Board established

1 under subsection (h) shall have first determined and certified
 2 in writing to the Administrator that the supply of crude
 3 petroleum or the particular petroleum product on which
 4 price controls are to be imposed or maintained, is insufficient
 5 to meet the domestic consumptive demand therefor.

AMENDMENT

Intended to be proposed by Mr. Moore (for himself, Mr. Thomas of Oklahoma, Mr. REED, Mr. CAPPER, Mr. O'MAHONEY, Mr. ROBERTSON, Mr. EASTLAND, Mr. O'DANIEL, Mr. WELLS, and Mr. McCLELLAN) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 8 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 8 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. RUSSELL (for himself and Mr. MAYBANK) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: At the proper place in the joint resolution add a new section as follows:

1 SEC. . Subsection (a) of section 3 of the Emergency
2 Price Control Act of 1942, as amended, is amended by
3 striking out the period at the end of the subsection and
4 inserting in lieu thereof the following:

5 “: *Provided*, That no maximum price shall be imposed
6 on pulpwood in any State at a price less than 100 per
7 centum of the highest maximum price established for pulp-
8 wood derived from trees of the same genus in any other
9 State, zone, or region, except that fair and equitable differen-
10 tials may be established between peeled and rough pulp-
11 wood.”

79TH CONGRESS
2D SESSION

H. J. RES. 371

AMENDMENT

Intended to be proposed by Mr. RUSSELL (for himself and Mr. MAYBANK) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 8 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 8 (legislative day, JULY 5), 1946

Ordered to be printed

AMENDMENT

Proposed by Mr. THOMAS of Oklahoma to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: In lieu of the amendment lettered "J", proposed by Mr. WHERRY (for himself and others) on page 9, after line 14, insert the following:

- 1 Notwithstanding any provision of this Act or otherwise,
- 2 or any Executive order, no regulation, order, directive, or
- 3 allocation shall be issued, made, or maintained (including
- 4 directives for distribution or price schedules) with respect to
- 5 livestock, poultry, or any product processed in whole or
- 6 substantial part therefrom.

79TH CONGRESS
2^D Session

H. J. RES. 371

AMENDMENT

Proposed by Mr. THOMAS of Oklahoma to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 8 (legislative day, JULY 5), 1946

Ordered to be printed

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 10, 1946
For actions of July 9, 1946
79th-2nd, No. 133

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HIGHLIGHTS: Senate debated price-control measure; agreed to Wherry amendment prohibiting control of livestock, poultry, eggs, or their food or feed products. Senate received nomination of Isleib to be Land Bank Commissioner. Both Houses agreed to strategic materials stock-piling bill conference report. Senate committee reported adversely on resolutions to reject President's reorganization plans. Senate received appropriation estimate for Swan Island animal-quarantine station. House received conference report on Government corporations appropriation bill. House received conference report on omnibus flood-control bill.

SENATE

1. PRICE CONTROL. Continued debate on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts (pp. 8564-99). Agreed, 49-26, to the Wherry amendment to prohibit price control on livestock, poultry, eggs, or their food or feed products (pp. 8597-8). Previously rejected, 25-51, a substitute amendment by Sen. Thomas, Okla., to include inedible products and to make the provision "iron-clad" (p. 8597). Sen. Eastland, Miss., offered an amendment to provide that price ceilings on cottonseed shall be sufficient to reflect to producers a price increase equal to the average percentage increase in support prices allowed to other principal competing vegetable-oil seeds since Aug. 1, 1942, after allowing for manufacturing or processing margin (p. 8598). Sen. Wherry announced that he will propose an amendment to prohibit ceilings on milk (p. 8598).
2. NOMINATION. Received from the President the nomination of James R. Isleib to be Land Bank Commissioner (p. 8599).
3. STRATEGIC MATERIALS. Both Houses agreed to the conference report on S. 752, to be known as the "Strategic and Critical Materials Stock Piling Act" (pp. 8584-5, 8602). As finally passed, the bill provides for this Department to cooperate in determining the materials which are strategic and critical and the quality and quantities to be acquired, and directs this Department to make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of supplies of any agricultural material or for using agricultural commodities for the manufacture of any material determined to be strategic and critical or substitutes therefor. This bill will now be sent to the President.

4. REORGANIZATION. The Judiciary Committee reported adversely S. Don. Res. 64, 65, and 66, to disapprove the President's reorganization plans (S. Repts. 1670, 1671, and 1672)(p. 8564).
5. ANIMAL-QUARANTINE APPROPRIATION. Received from the President a supplemental estimate for 1947 of \$85,000 for establishment and maintenance of the Swan Island animal-quarantine station (S. Doc. 236)(r. To Appropriations Committee, (p. 8563.))
6. LABOR. The Education and Labor Committee reported with amendments H. Don. Res. 148, creating a joint committee to study and recommend legislation concerning labor relations (S. Rept. 1673)(p. 8564).
7. RECLAMATION. The Irrigation and Reclamation Committee reported with amendment S. Res. 296, relating to utilization and disposition of the water resources of the Central Valley project (p. 8564).
8. WAR DEPARTMENT MILITARY APPROPRIATION BILL. Conferees were appointed in both Houses for a further conference on this bill, H. R. 6837 (pp. 8568-9, 8600-1, 8647).
9. RUBBER; SURPLUS PROPERTY. S. J. Res. 174 (as reported July 3) prohibits the War Assets Administration from disposing of any synthetic rubber plants and facilities, which cost the Government in excess of \$5,000,000, until six months after Congress receives OWMR's report and recommendations on a national rubber policy, but exempts styrene plants, furfural plants, carbon-black plants, not to exceed two alcohol butadiene plants; and copolymer plants.

HOUSE

10. GOVERNMENT CORPORATIONS APPROPRIATION BILL. Received the conference report on this bill, H. R. 6777 (p. 8621). The conference report provides the following amounts for corporate administrative expenses: CCC, \$8,760,000 (Senate figure; House figure \$8,000,000); FCIC, \$7,340,000 (Senate figure \$7,860,000, House figure \$6,800,000); FEMC, \$3,750,000 (House figure, Senate figure \$1,875,000); FICB's, \$1,500,000 (House figure, Senate figure \$1,688,501); PCC's, \$1,600,000 (House figure, Senate figure \$1,644,912); RACC, \$341,000 (House figure, Senate figure \$391,000); strikes out the limitations on CCC activities relating to sales below parity since these are now carried in permanent law; strikes out the provision (inserted by the Senate) that no CCC funds shall be used; during the fiscal year 1947, to make any payments to other than domestic producers, under any subsidy program operation not in effect on the date of enactment of the bill; eliminates the following language inserted by the Senate, "The types of programs set forth in the 1947 budget of the Commodity Credit Corporation, within the funds available to it are approved, but the subsidy program shall be subject to the provisions of H. R. 6042", and inserts the following in lieu thereof, "Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law"; provides the following language for Federal Surplus Commodities Corporation: "Provided, That funds acquired by the Corporation as an agency of the United States, other than funds transferred pursuant to the Act of June 28, 1937 (50 Stat. 323), shall remain available to the Secretary of Agriculture for the purpose of liquidation and dissolution of the Corporation: Provided further, That all administrative duties shall be performed by the Commodity Credit Corporation and paid for without the limitation on administrative expenses of the Commodity Credit Corporation without reimbursement therefor"; and changes the language making funds available for the purchase of passenger automobiles to read, "only for replacement of 'worn-out' vehicles" (the House word which was eliminated by the Senate was



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PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

Vol. 92

WASHINGTON, TUESDAY, JULY 9, 1946

No. 133

Senate

(Legislative day of Friday, July 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. L. Ralph Tabor, pastor, Luther Place Memorial Church, Washington, D. C., offered the following prayer:

Father in Heaven, we thank Thee that Thou hast brought us to this day. We praise Thee that Thou hast been our help in ages past, that Thou art our hope for years to come. We bow in gratitude to Thee, the source of whatever talents and abilities are possessed by men. Use the abilities of Thy servants in this place that Thine own will may be done and Thine own purposes may be served.

Let Thine own light give clarity of vision for the honest performance of daily labors here; let Thy purposes be served by a common will toward what is right and best for the people of this Nation and of the world. Let understanding and sincerity mark the deeds of these hours. Give to Thy servants the desire to accept the guidance of Thy spirit that Thy greater glory may be known through this Nation under Thee.

Let the words which are spoken here this day and the thoughts which are in the hearts of those in places of high responsibility be acceptable in Thy sight. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, July 8, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3424) to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes.

The message also announced that the House further insisted upon its disagreement to the amendments of the Senate numbered 27 and 28 to the bill (H. R.

6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 752) to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes.

The message also announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 69. Concurrent resolution further increasing the limit of expenditures for the investigation of the Pearl Harbor attack; and

S. Con. Res. 70. Concurrent resolution to further extend the time for filing the report, together with the powers and functions, of the Joint Committee To Investigate the Pearl Harbor Attack.

CORRECTION OF THE RECORD

Mr. MURDOCK. Mr. President, I find that in the colloquy which took place yesterday between myself and the distinguished Senator from Nebraska [Mr. WHERRY], as set forth in the third column on page 8490 of the CONGRESSIONAL RECORD, some incomplete statements were made by me. At least, they appear to be incomplete in the RECORD. There are also one or two minor corrections which should be made. I ask unanimous consent that the permanent RECORD may be corrected accordingly.

The PRESIDING OFFICER. Without objection, the corrections will be made for the permanent RECORD.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. Doc. No. 236)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture, amounting to \$85,000, fiscal year 1947 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

RELIEF FOR CERTAIN DISBURSING OFFICERS OF THE NAVY

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, on the cases of relief granted to disbursing officers of the Navy on account of loss or deficiency while in line of duty; to the Committee on Naval Affairs.

MRS. MARTHA P. MATTHEWS

A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation for the relief of Mrs. Martha P. Matthews, clerk-typist, Jackson, Tenn., Farm Security Administration, United States Department of Agriculture (with an accompanying paper); to the Committee on Claims.

LIMITATIONS OF EXPENDITURES FOR SPECIAL PROJECTS

A letter from the Acting Director of the Bureau of the Budget, transmitting, pursuant to law, copies of letters addressed to the heads of the State Department and Office of War Mobilization and Reconversion, which establish limitations on the amounts that may be expended for travel from sums set apart in appropriations for special projects (with accompanying papers); to the Committee on Appropriations.

INTEGRATION OF SURPLUS DISPOSAL—REPORT OF WAR ASSETS ADMINISTRATION

A letter from the Administrator of the War Assets Administration, transmitting, pursuant to law, the first quarterly report of that Administration, 1946, relating to the integration of surplus disposal (with an accompanying report); to the Committee on Military Affairs.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by Cathay Post, No. 185, American Legion, Denver, Colo., favoring statehood for the

Territory of Hawaii; to the Committee on Territories and Insular Affairs.

TRANSFER OF JEWS TO PALESTINE

Mr. WILSON. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the Appendix of the RECORD, without the signatures attached, a resolution adopted by the citizens of Council Bluffs, Iowa, with reference to the prompt transference of 100,000 Jews to Palestine.

There being no objection, the resolution was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, without the signatures attached, as follows:

Whereas the Anglo-American committee of inquiry on Palestine has submitted to both of the governments concerned the urgent recommendation that 100,000 displaced European Jews be allowed to enter Palestine during 1946; and

Whereas recent statements by members of the British Labor Government indicate an intention not to accept such recommendation, and recent acts by this Government will lead only to further consultation and unnecessary delay in the achievement of this objective; and

Whereas further procrastination in the fulfillment of this humanitarian obligation can serve no purpose but to increase the agonies and sufferings of these unfortunate people, for whom no home exists in Europe and who can be rehabilitated in Palestine: Now, therefore, be it

Resolved, That it is the sense of this assembly of citizens of Council Bluffs and the State of Iowa that the President of the United States, the Secretary of State, and the United States Senate and House of Representatives take action to effectuate immediately the unanimous recommendation of the joint committee with respect to the prompt transference of 100,000 Jews to Palestine; be it further

Resolved, That it is the desire and will of the American people that this solemn obligation, to which this Government is a party, be fulfilled, and that these homeless people be given the opportunity to live as free men in this land of their choice; be it further

Resolved, That this resolution and appropriate copies be sent respectively to the President of the United States, the Secretary of State, the President pro tempore of the United States Senate, the Speaker of the House of Representatives of the United States and the Senators and Representatives from the State of Iowa.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 1477. A bill to authorize relief in certain cases where supplies or services have been furnished for the Government during the war; with amendments (Rept. No. 1669);

S. Con. Res. 64. Concurrent resolution disapproving Reorganization Plan No. 1; adversely (Rept. No. 1670);

S. Con. Res. 65. Concurrent resolution disapproving Reorganization Plan No. 2; adversely (Rept. No. 1671); and

S. Con. Res. 66. Concurrent resolution disapproving Reorganization Plan No. 3; adversely (Rept. No. 1672).

By Mr. MURRAY, from the Committee on Education and Labor:

H. Con. Res. 148. Concurrent resolution creating a joint select committee to study and recommend legislation concerning labor relations; with amendments (Rept. No. 1673), and, under the rule, the concurrent resolution was referred to the Committee To Audit

and Control the Contingent Expenses of the Senate.

By Mr. DOWNEY, from the Committee on Irrigation and Reclamation:

S. Res. 296. Resolution relating to the utilization and disposition of the water resources of the Central Valley project in California; with an amendment.

BILL INTRODUCED

Mr. O'MAHONEY (for Mr. WHEELER), by unanimous consent, introduced a bill (S. 2420) authorizing the issuance of a patent in fee to Bert Miles, which was read twice by its title and referred to the Committee on Indian Affairs.

INVESTIGATION OF CENTRALIZATION OF HEAVY INDUSTRY

Mr. McCARRAN submitted the following resolution (S. Res. 301), which was referred to the Committee To Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures of the special committee appointed pursuant to Senate Resolution 190, Seventy-eighth Congress, agreed to December 21, 1943, to investigate the effect upon interstate commerce of the centralization of heavy industry in the United States, hereby is increased by \$2,352.70 in addition to the amount of \$5,000 originally authorized.

RESTRICTIVE LABOR LEGISLATION: AN ATTACK ON CIVIL LIBERTIES—ADDRESS BY SENATOR MURRAY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address on the subject Restrictive Labor Legislation: An Attack on Civil Liberties, delivered by him at the National Lawyers Guild Convention at the Hotel Hollenden, Cleveland, Ohio, July 5, 1946, which will appear hereafter in the Appendix.]

ROOSEVELT AND THE FUTURE OF LIBERALISM—ADDRESS BY SENATOR PEPPER

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD an address on the subject Roosevelt and the Future of Liberalism, delivered by Senator PEPPER at the National Lawyers Guild banquet in Cleveland, Ohio, July 6, 1946, which appears in the Appendix.]

LAND O' LAKES CREAMERIES—ARTICLE BY ARNOLD NICHOLSON

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "They Sell a Billion Pounds of Milk a Year," by Arnold Nicholson, describing the operation of Land O' Lakes Creameries, published in the magazine Country Gentleman, of June 1946, which appears in the Appendix.]

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Oklahoma [Mr. THOMAS] in the nature of a substitute for the amendment proposed by the Senator from Nebraska [Mr. WHERRY] on behalf of himself and other Senators.

Mr. REED. Mr. President, I send to the desk and ask to have printed and lie upon the table two amendments which I

intend to propose to House Joint Resolution 371 which is now before the Senate.

The PRESIDENT pro tempore. The amendments will be received and lie on the table.

Mr. WILEY. Mr. President, I am not a member of the Banking and Currency Committee of this great body which has been considering this new measure affecting OPA. Neither have I had the opportunity to read the testimony which may have been taken before the committee. However, I have given considerable thought to this whole subject for a long time, and like all my brethren of the Senate, I have received a number of letters and telegrams from men and women in every walk of life, from those living in my own community and State and from those living outside the State. I am not talking about the countless telegrams which have been the result of siphoned thinking; I am talking about the telegrams which have come from men and women who have attempted to think this problem through.

Mr. President, I should like to submit a few points regarding the matter of price control now under consideration, and my position on it.

The situation has been so confused in recent days as a result of the President's actions and as a result of the propagandizing of OPA bureaucrats that it seems to me some straightening out is in order.

THE PREVIOUS OPA EXTENSION BILL

First. Mr. President, I voted against the previous version of the OPA extension bill, which was later vetoed by the President. I know, of course, how long and how hard and continuously the Members of the Senate and the House had worked on that measure.

One of its principal defects, I felt, was its failure to decontrol dairy and livestock products. I had many times pointed out on the floor of the Senate the terrible and ruinous effects of OPA on the dairy industry, in particular on the production of butter, cheese, evaporated milk, and other necessary dairy items, which are vitally needed in this famine-stricken world of today, but which, thanks to OPA blundering and ineptitude, have not been produced at anywhere near the quantities that they might have been under a free economy.

I stress the words "free economy" because America through the decades of her existence knew nothing else, until the war came upon us, when, with a great emergency facing us and an extraordinary situation developing, our economy became subject to the control of OPA. To all intents and purposes, however, the war is over and yet production, which is so vital in the postwar situation, has not been brought about. I have spoken time and time again of the dairy industry in relation to the angle of production.

In spite of this major draw-back, I believed that the OPA extension bill, as it was sent to the President, represented many valuable improvements over the previous price situation.

THE PRESIDENT'S VETO

Second. I believe that the President's veto of the OPA extension bill was a

grave disservice to the American people. When he killed all price controls, all rental controls, as well as the \$1,000,000,000 food subsidy program, he gravely gambled with the public welfare simply in order to force Congress to do his exact bidding. The President ignored Congress' long and hard labor on the OPA extension bill.

THE PRESENT SITUATION

Third. Since the President's veto and the death of OPA, the country has had an amazing demonstration of the fundamental soundness of the American system of free enterprise under the natural system of supply and demand. I really think, Mr. President, that this is almost an understatement. We have seen the stockyards of America fill up with cattle, while over the radio we have heard some of the OPA propagandists speak about the tremendous percentage increase. For instance, they say that since the expiration of OPA on June 30 meat has gone up 18 percent. They do not say 18 cents a pound; but they say 18 percent; but now the American people can buy meat, and they will continue to be able to buy it under present conditions. If meat sold for 30 cents a pound, 18 percent would be approximately 5 cents, or a total of 35 cents. If the price were as high as 50 cents the increase in cost would be 9 cents. The question is whether or not that condition is healthy.

What happened to wages? What happened to the ordinary cotton shirt, such as the one I have on? A shirt which used to sell for \$1.65 one can get now if he pays \$4.50 for it. All this under OPA.

The same observation applies to the milk situation. I have here statistics, which I shall put in the RECORD, showing that throughout the country the average increase to the consumer in the price of milk per quart just about approximates the subsidy which the President kicked out the window, namely, 3 cents.

How many complain about the milk situation? I have heard many who will go to a bar and pay 50 or 65 cents for a shot of whisky, but complain they have to pay 15 or 16 cents for a quart of milk.

Mr. President, I am bringing this matter up because it is a question of our keeping our feet on the ground, and whether or not we are going to have a breathing period to see if the system of free economy can work, or whether we are going to be stampeded by a lot of synthetic thinkers into actions which we may regret.

Just as important, we have had a thrilling demonstration of the fundamental patriotism of American industry, commerce, and agriculture, of American property owners, of American retailers and wholesalers, with but few exceptions.

American industry has said over the radio and in advertisements in the press and in actions that—

(A) It will not start a ruinous price-raising spiral to gouge the public; it will hold the line so far as possible and so far as is consistent with its reasonable American margins of profit.

(B) It will curb small minorities of chiselers and racketeers in its own ranks who will try to use the present situation to take advantage of the public.

(C) If given the chance, it will disprove the fear mongering of OPA's bureaucrats and other parlor pinks and reds to the effect that American business was unpatriotic and would ruin the American consumer.

Yes; American industry in this past week has lived up to these points.

Mr. President, we recall how a week ago Sunday some of the OPA advance guard took to the radio and sought to instill fear into the hearts of American men and women. I would say to some of them, quoting President Roosevelt, "The only thing we have to fear is fear itself." If, because of fear or unpoised thinking we find ourselves in the mood to create restrictive legislation when it is not needed, then we are pursuing the course which the Fascist countries pursued, and one step taken may lead to another, with the result that not simply price control but liberty control may ensue.

PRICE RISES

Fourth. To be sure there have been many raises in prices. These are attributable to a number of factors. They are:

(A) necessary in order to correct the abnormally low ceilings established by OPA which had crippled production.

I have heretofore spoken on that subject on the Senate floor. I have used the illustration of the aluminum skillet. Numerous instances in my own State have been called to my attention, and I have mentioned them in the Senate, showing that the inadequacy of OPA has resulted in crippling production.

Now I proceed to state the other factors:

(B) necessary in order to re-align the natural system of prices which has been artificially set for 4 years.

(C) necessary in order to take up the gap left by the removal of the billion dollars in food subsidies.

The American public has shown admirable restraint and selection in its buying. It has once again demonstrated its common sense and shown that it will not allow itself to be gouged by a handful of racketeers. It has demonstrated its willingness to buy at prices that will afford manufacturers, wholesalers and retailers a reasonable profit.

MY PRESENT POSITION ON OPA

First. May I now summarize my present position on OPA?

(A) I believe that in view of the fact that because of the President's action, OPA has been killed. We should allow it to stay dead for a test period, during which the American system of free enterprise should be given a reasonable chance to further demonstrate its integrity without controls. We should not rush pell mell into the restoration of controls before industry has been allowed a real chance to prove or disprove the value of free supply and demand.

(B) In a situation such as rents, which has given many people much concern, the State governments should demonstrate their adequacy by establishing necessary and equitable rent controls wherever necessary. I call attention to the fact that equity is necessary in the case of the landlord as well as in the

case of the tenant. Let us not make a scapegoat of the American property owner—millions of humble men and women who are as patriotic as the rest of our population, but who have been terribly squeezed during the past years of rising maintenance charges, depreciation costs and fixed rental ceilings. There are many illustrations of that, showing again the inadequacy of OPA in handling that situation. In community after community rents were frozen while wages and the incomes of individuals rose in many instances 100 percent or more.

Mr. President, I might mention my own little experience, although I have had no time to think much about it. I owned a piece of property in my community. When I came to the Senate in 1939 the depression was on, and I was selling for from 95 cents to \$1.25 a hundred pounds milk which cost me from \$1.85 to \$2 a hundred to produce. In order to keep it occupied, an individual was given possession at \$20 a month, of a nice property which could not be reproduced today for \$20,000. Ten miles away a war industry started up, and wages, which were previously from \$75 to \$100 a month, rose to three and four hundred dollars a month. But that rental of \$20 was frozen, because it was in the frozen area.

Mr. President, I mention this matter because in all cases when Government takes hold of any activity of its citizens its machinery must be so adjusted that when it acts it must act equitably. Congress had that in contemplation when it passed the OPA law, but the administrators had a different idea, and they administered the law according to their idea, and not according to the idea of the legislative branch.

Mr. President, I use this illustration because that condition has been prevalent throughout the Nation. There is no question that some who are getting equitable rentals are now taking the opportunity to raise rents. Because of the fact that the war is over, that matter, in my opinion, should revert to the States, and the States should take action. In other words, we want to get the Federal Government out of the picture. We have too many bureaucrats. We have too large a Government pay roll. We have too large an overhead. It is our function as legislators, as trustees of the people's property, and the people's values, and the people's liberties, to protect them. One way to do it is to get rid of employees who want to stay continually in the administration of Government when there is no further need for them.

(C) I say that, in any case, dairy and livestock products should not be brought back under controls. In this situation I believe that the American farmer has already demonstrated his capacity to produce the necessary quantities of food if only he will be allowed freedom of action. I call attention to a report which I have just received from Mr. Charles W. Holman, secretary of the National Cooperative Milk Producers Federation, in which he reports that since June 30 and the death of OPA, there has been little appre-

ciable rise in milk prices other than those normally to be expected because of the removal of subsidies. In my own State of Wisconsin there has been little or no change in dairy products prices. In Superior it is expected that a milk price advance of 1½ cents a quart will occur.

I have a telegram from the Governor of my State, from which I quote as follows:

As nearly as I can ascertain the price situation in Wisconsin remains steady on food and essentials.

In this connection I ask that there be reprinted as a part of my remarks a letter from the National Cooperative Milk Producers Federation addressed to the Members of the United States Senate.

There being no objection, the letter was ordered to be printed in the RECORD.

THE NATIONAL COOPERATIVE

MILK PRODUCERS FEDERATION,

Washington D. C., July 6, 1946.

To the Members of the United States Senate:

In again urging you to spare the dairy farmers of this Nation from the evils of price controls and subsidies, I now call your attention to certain developments which make it apparent that either Senator WHERRY's or Senator McCARRAN's amendment to exempt milk and its products from the provisions of the new price control bill (H. J. Res. 371) should be supported.

We opposed the inauguration of wartime subsidies and pointed out that as production needs and farmers' costs increased, subsidies would have to increase. Before congressional committees and otherwise, we have repeatedly called attention to the uncertainty and fear created among dairy farmers by prolongation of the Government's subsidy policy. Fear of sudden termination of subsidies without compensatory price rises at a time when increased production might no longer be needed has been an important psychological factor causing the lessening of milk production this year as compared with 1945.

Subsidy rates in lieu of fair prices have steadily increased until by April 15 it would have been necessary in order to carry out the announced dairy program for the Congress in the current fiscal year to appropriate \$1,080,000,000. Caught in his own trap, former Economic Stabilization Administrator Chester Bowles, on May 29, was forced to eliminate a part of this huge fund by ordering a general price increase of 40 cents per hundred pounds of milk or 10 cents per pound of separated cream. This still left a requirement of over \$700,000,000 to carry out the Government's commitments.

The higher rates of subsidies and the increased percentage of dairy farmers' income represented by subsidies intensified the fear of producers, handlers, and Government officials of the economic shock which might be produced by their sudden termination.

After VJ-day it became clear that the Government's policy was to eliminate subsidies and price control on dairy products only after purchasing power had begun to decline. This heightened our fear because under such conditions it would be impossible to transfer to the consumer a price increase equivalent to the subsidies presently being borne by the Government.

It also became apparent to all familiar with the dairy industry that any congressional policy providing for gradual removal of subsidies at stated intervals would deter the normal movement into consumption of storable dairy products because of the opportunity of profit gains as a result of withholding. We, therefore, advocated the termination of both subsidies and price controls on June 30, 1946. This date was picked

as being the best seasonal period in the interest of the general public.

Sudden termination of subsidies did occur when President Truman vetoed the price-control bill H. R. 6042. This action left all dairy farmers without any assurance of the continuation of their present incomes and threw the entire dairy industry into an expectant turmoil. However, corrective forces immediately got into play.

In at least nine States milk-control authorities renewed their functions which had been almost paralyzed by Federal war-power legislation. Organized producers reassumed their rights of price bargaining. On July 3 the butter markets renewed trading and as this is written prices of milk have advanced over a considerable part of the country. The wholesale butter markets went up almost the exact amount of the butterfat subsidies and in nearly all of the great milk-sheds milk prices rises to producers were also only on a subsidy-compensation basis.

Belatedly, Secretary of Agriculture Clinton P. Anderson, on the evening of July 5, urged dairy farmers not to seek higher prices in the market place until after the Congress acts upon pending legislation. In this statement Secretary Anderson guaranteed retroactive payments of subsidies provided Congress allowed the funds. Such payments if continued could only be for a short while if \$869,000,000 provided in the pending bill for subsidies for noncrop agricultural commodities is equitably divided over the entire list of commodities now subsidized. That, of course, will force the Secretary shortly to order the raising of price ceilings anyway.

Thus the country will be faced with the ridiculous situation where, first, the President removes all price ceilings and subsidies. Then the Congress restores them and makes them retroactive. Then the Secretary, for lack of funds, will have to raise them again. We cannot believe that any good result will come from these contradictory moves. We cannot believe that consumers will approve having their prices juggled up and down nor that persons who have traded legally on higher price levels should lose vast sums because of a law with a retroactive provision in it.

A telegraphic and telephonic survey conducted by us during the past 3 days shows little or no adverse action among urban consumers to the price rises which have occurred. Apparently the vast body of them understand that when the Government stops paying part of their grocery bill they must pay it themselves. In some communities there will be a slight recession in the demand for fluid milk which will release needed quantities to be made into butter and other manufactured dairy products. Already there is a noticeable increase in the supplies of butter available and this may be expected to continue under free enterprise.

A return to the controls and price-ceiling basis of June 30 will throw butter back into the black market to the great injury of the dairy industry and the consuming public. It will force increasing quantities of cheese into the black market. It will unsettle prices in those States where State milk-control authorities already have raised prices moderately, and in a number of major interstate milk sheds which do not operate under State control.

As previously indicated, the organized producers and the manufacturing and distributing elements of the dairy industry are well equipped to handle this situation. Our historic policy is, and will continue to be, the pricing of dairy products on a reasonable basis and with full knowledge of what consumer reactions will be. Except in a few isolated cases, organized dairy farmers have never sought to take advantage of scarcity. They would not be able to do so for any length of time because of the sensitiveness of the product to price.

For the above and many other reasons we urge you to give free enterprise a chance in the production and distribution of dairy products, and not force us back into a condition of regimentation which has been so administered as to make it hateful to our people.

Sincerely yours,

CHAS. W. HOLMAN,
Secretary.

(A) A TEST PERIOD FOR THE FREE ECONOMY SYSTEM

Mr. WILEY. Mr. President, let me amplify that point: A test period for the free economy system. That is the system we have always lived and worked under. It is the system which made America great. It is the system under which we built our cities, our highways, and developed our great plains, and what is more, under it there were built into this race the courage and the adventure that made it virtually the master race in the sense that nothing is impossible for it to undertake and perform. So, I repeat, there should be a test period for the free economy system.

(B) STATE GOVERNMENT ACTION WHEN NECESSARY

If the rent situation gets out of hand, in my opinion Washington should not attempt to handle it. Who knows the rent situation better than the people back in their respective States? What is necessary in one State where the population has decreased is not necessary in other States where the population has been multiplied several fold. So different situations are to be met in relation to rents, and in my judgment the rental situation is not in peacetime a matter for the Federal Government to undertake or attempt to solve.

I believe in continued freedom for the dairy and livestock industry. In this critical period, not only of our own Nation, but of the whole world, we must make sure that we do not put any restrictions or road blocks in the way of production. If we achieve full production, there will be some slight inequities, but the important thing is to achieve full production.

That is what we did not achieve when we had restrictions on dairy products. That is what we did not achieve with respect to beef and other products prior to the time OPA went out the window. In the instances where there was full production, it went into the black market. I have cited heretofore this instance, Mr. President, of a friend of mine from the little town of Cameron, Wis., who is a large milk producer. Writing from Florida, where he was wintering, being a man in his eighties, he said:

I notice that in Washington and in Wisconsin you cannot get butter, but down here in Florida we can get lots of it. But we have to pay \$1.25 a pound.

That was in the black market. Doing away with OPA will do away with the black market, one of the great evils with which we are cursed. In this connection I want to call attention to the fact that there are individuals who profit by the black market, individuals who are profiteers; yes, racketeers. We had them in the time when booze was supposedly thrown out the window during

prohibition. We then had individuals making millions of dollars by their nefarious trade. Bootleggers they were called. It has been estimated that the black marketeers in meat made millions every week during OPA. Now people are getting meat. Pretty soon the markets and the counters will be filled with meat. Yes, people are paying 5, 6, 7, or 8 cents more, and on the choice cuts perhaps 10 cents more a pound, but they will get the meat. The farmers will get what they are entitled to, and those in between will get what they are entitled to. And then, Mr. President, when production gets under way and the law of supply and demand begins to operate, the price of meat will come down. Right now there is a great demand for our food products because of the foreign situation with which everyone is acquainted.

Mr. President, I repeat that in this critical period, not only of our own Nation, but of the whole world, we must make sure that we do not put any restrictions or road-blocks in the way of production. It we achieve full production—and the way to do it is to keep the road-blocks and restrictions off—then the law of supply and demand will start to operate and prices will fall until they reach the appropriate level.

So in conclusion I want to state three particular points regarding this matter:

First. Economic common sense demands that if we want production in any one line, the producer must at least get the cost of production. That is so simple and yet so fundamental that we skip over it in trying to find some mechanistic solution to our problem. The producer of any product must receive at least the cost of production. The fact that the producers were not receiving the cost of production is why butter became scarce. Under OPA the ceiling on butter was such that the milk would not flow to butter. It would go to some other product, particularly ice cream. That resulted in the situation we are now facing.

So, I repeat, economic common sense demands that if we want production in any one line, the producer must at least get the cost of production.

Second. Economic common sense and fair play demand that Government must not play favorites with its citizens when under the guise of an emergency it interferes with the production of its citizens. I need not go into further detail as to that point. It has been demonstrated on the floor of the Senate time and time again that one of the important reasons for the failure of OPA was the inability adequately to meet the situation by assuring all producers of the same article substantially the same price.

Third. Economic common sense demands that subsidies are only justifiable in order to get production. When they are not needed for that purpose, there is no justification for the same unless there is some grave emergency factor affecting the whole economy.

I do not know of any products in the dairy or meat line with respect to which it is necessary to have a subsidy in order to obtain production. All that is necessary is to remove the restrictions so that milk will flow freely into the production of cheese, ice cream, and butter, and so

that the producers of each product can pay as much as the others for milk. So I repeat that economic common sense demands that subsidies be abandoned if there is no justifiable reason for maintaining them. There are certain products with respect to which subsidies should be paid. Certain minerals are vital to stock piling the America of tomorrow. We must do that to keep some of our zinc and other mines in operation. It is important that in such instances what might be called a subsidy be paid, in order to keep the mines producing and have the product stock piled for what may be necessary in the Nation of tomorrow.

I have before me a statement which substantiates what I have heretofore said in relation to a summary of milk prices throughout the country. This report is dated July 8, and is issued by the National Cooperative Milk Producers' Federation. In Montgomery, Ala., milk went up 2 cents; in Arizona 2 cents; in California, 2 cents; in Colorado 2½ cents; in Wilmington, Del., 3 cents; in Florida, 2 cents; in Massachusetts, 3 cents; in Maryland, 3 cents; in Illinois from 1 cent to 1½ cents; in New Hampshire, 3 cents; in Rhode Island, 3 cents; in South Dakota, 2 cents; in Wisconsin, 1½ cents. The figures for the other States are on a comparable level.

This report clearly indicates that the price of milk has increased to the extent necessary to equalize the price after the subsidy was taken off by President Truman's veto. I wish the people of the Nation could clearly understand that point. When the President vetoed the OPA bill which the Congress passed, he took the subsidy of approximately \$1,000,000,000 away from the farmers and milk producers, and as a consequence, to equalize what was taken away by that veto, the public is paying an additional 1 cent, 2 cents, or 2½ cents, instead of the Treasury paying it. People generally do not understand the question of subsidies. They believe that there is some magic in the term, and that a subsidy is pumped out of a well somewhere. It is pumped out of the pockets of the people. When the people are taxed for it, and it is paid to a group, it is paid through the channel of the Treasury. But when an individual buys milk and pays the producer directly for it, the producer usually gets a little more out of it. That is the issue in relation to subsidies.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. HAWKES. I should like to emphasize the point which the Senator is making with regard to subsidies. I know of no better illustration in the United States than the subway system in New York. The 5-cent fare was used as a political slogan for many years, until the companies operating the subways, which gave a 10-mile ride for 5 cents, were forced out of business. Regardless of all increasing costs, they were held down to a fare of 5 cents. They finally had to sell to the city. I understand that today the city is operating the subways at a loss, and paying the loss out of the pockets of the taxpayers. I think that

illustrates what the Senator is talking about.

Mr. WILEY. Exactly.

Mr. HAWKES. I might go further. The city of New York has a sales tax on practically all items sold to the people, and the people are paying the sales tax, which goes into the treasury and part of it is used to pay for the loss incurred in the operation of the subways, and the people think they are getting the same old price.

Mr. WILEY. I thank the Senator.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. MYERS. I heard the Senator read the figures as to the increased price of milk in many States. Does the Senator have any information with respect to Pennsylvania?

Mr. WILEY. Yes. With respect to Pennsylvania, the report contains the following:

One cent per quart price advance authorized by State milk-control board. Hearing of board scheduled July 10, 11, and 12 on further advance to compensate fully for subsidy removal. Philadelphia producers' price up 94 cents per hundredweight July 8. Retail price up 3 cents.

That is the point.

Mr. MYERS. That is the increase which is now asked for. As the Senator says, a hearing is to be held before the State milk control board. A week or so ago the producers were granted an increase of 1 cent. Several weeks ago the OPA granted an increase of 1 cent. So the increase in the Philadelphia area is 5 cents.

I should like to read a short article from today's Philadelphia Inquirer, which states that a spokesman for one of the dairies said that the new price of 19 cents a quart for the most popular grade of milk was the highest he could remember in Pennsylvania.

Mr. WILEY. There is no question in my mind about that.

Again I return to the proposition that we have been getting what we call relatively cheap milk, and milk is the best food known to man. We pay from 15 to 19 cents a quart for milk and complain about the price, although some of the people pay \$6 or \$7 for a fifth of some Kentucky stuff.

Mr. BARKLEY. Mr. President, I suppose that the Senator would assume that such an expenditure would be all right if it were expended for some Milwaukee stuff. [Laughter.]

Mr. WILEY. Again we have a comparison. I make no odious reference to the product which comes from the Senator's State.

I am simply speaking of how the human mind operates. People will willingly pay 60 cents for a drink of bourbon, but they will quarrel about paying from 15 to 19 cents for a quart of nature's best food, when, Mr. President, as a matter of fact, the price is in part the result of taking away the subsidy by the President's veto. If the Senator from Pennsylvania is correct, the result is an increase of probably 3 cents a quart above what the price of milk was before the OPA went out the window. The Senator from Pennsylvania said the OPA

granted an increase. Of course, the price of milk varies in different communities, depending upon the cost elements.

But again I return to the proposition that we must keep our heads. Why should people complain about paying 2 or 3 cents more for a quart of milk for their families, when at least some of them do not hesitate to pay \$5 or \$6 or \$7 for a bottle containing a fifth of Kentucky bourbon. Let me say that the Kentucky stuff does not bother me, but I realize that some of the people purchase it. Somehow or other the OPA officials never say anything about the increased price of booze or the increased price of other things, but they want to scare people into believing they are "being taken for a ride" when they pay a moderate price for milk. Incidentally, I think the price of milk in Washington today is 14 or 15 cents a quart, and it is good milk.

No, Mr. President; the American people are not falling for the propaganda of fear. Already in my remarks I have stressed the point that all over this land a calmness of judgment is being demonstrated. It is only a few folks who are either financially interested or politically interested in upsetting the apple cart that keep on poisoning the minds of our people.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, following my remarks, a statement entitled "Keep Dairy Products Free From Price Controls and Subsidies—Ten Reasons Why," which is furnished by the National Cooperative Milk Producers' Federation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

KEEP DAIRY PRODUCTS FREE FROM PRICE CONTROLS AND SUBSIDIES

TEN REASONS WHY

1. Price controls and subsidies are now removed from dairy products. There has been no catastrophic result. There are no run-away markets. Prices have been increased on some 60 major fluid-milk markets to make up for the subsidies and to restore to farmers the subsidy-or-price rate of return that was pledged to them for July. Similar rational price increases are taking place in butter, cheese, and other manufactured dairy products. There is little or no consumer complaint.

2. Freed from price controls that stifled production and diverted most of the supply into the black market, butter is reappearing on the shelves of the legitimate retailers. Consumers once again have their choice of dairy products, whether butter, cheese, milk, ice cream, or other forms of milk.

3. Milk-control authorities in at least 10 States have resumed their prewar responsibilities and have authorized nominal price increases. These State control authorities and those in other States will adhere to their public responsibility in maintaining fair and equitable price returns to producers and preventing undue price rises to consumers.

4. Farmer-owned dairy cooperatives in every part of the Nation have resumed their traditional price-bargaining prerogatives. They are fully aware of the fact that while adequate producer returns are necessary to assure full milk production, reasonable and satisfactory consumer prices are also necessary to maintain consumption. Organized producers and the manufacturing and distributing arms of the dairy industry will con-

tinue to recognize their responsibility of pricing and distributing dairy products on a fair basis.

5. To reimpose price controls and subsidies would displace a stable and rational status quo with all of the confusion, maladjusted price relationship, and barriers to production that have for more than 3 years demoralized the dairy industry.

6. To reimpose price controls and subsidies would impose severe losses on many conscientious handlers of dairy products who have in good faith made purchases under existing prices.

7. To reimpose price controls and subsidies would turn butter and cheese back to the black market; thwart the dairy farmer in his production program; invite the continued dispersal and culling of herds; and encourage the downward trend of milk production.

8. To reimpose price controls and subsidies would force the Government to juggle prices down and then up again. It would mean a rollback in market prices that are now established at reasonable levels. Once the prices were rolled back, the Secretary of Agriculture would soon be obliged, for lack of subsidy funds, to increase them again. Either that or the Congress would have to appropriate more than is now contemplated in the OPA bill for dairy subsidies for the current fiscal year.

9. To reimpose price controls and subsidies on dairy products would add to the public debt the \$2,000,000 or more a day now required for dairy subsidies. It would add this much more to inflationary spending power.

10. To reimpose price controls and subsidies on dairy products would be an attempt to restore the myth that subsidies keep prices down when, as a matter of fact, they are merely on-the-cuff payments by the Government to be settled for later by the taxpayers.

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

The PRESIDING OFFICER (Mr. HCEY in the chair) laid before the Senate a message from the House of Representatives further insisting upon its disagreement to the amendments of the Senate numbered 27 and 28 to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate further insist upon its amendments Nos. 27 and 28, request a further conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate to the further conference.

Mr. WHITE. Mr. President, reserving the right to object, I think the matter is of some moment, and therefore I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken
Andrews
Austin
Ball
Barkley
Bridges
Briggs
Brooks
Buck
Burch
Bushfield
Eyre

Capper
Carville
Chavez
Cordon
Donnell
Downey
Eastland
Ferguson
Fulbright
George
Gerry
Gossett

Green
Guffey
Gurney
Hart
Hawkes
Hayden
Hill
Hoey
Huffman
Johnson, Colo.
Johnston, S. C.
Kilgore

Knowland
La Follette
Langer
Lucas
McCarran
McClellan
McKellar
McMahon
Magnuson
Maybank
Mead
Millikin
Mitchell
Moore
Murdock

Murray
Myers
O'Daniel
O'Mahoney
Overton
Pepper
Radcliffe
Reed
Revercomb
Robertson
Russell
Smith
Stanfill
Stewart
Swift

Taft
Taylor
Thomas, Okla.
Thomas, Utah
Tobey
Tunnell
Wagner
Walsh
Wherry
White
Wiley
Willis
Wilson
Young

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the Commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. THOMAS of Oklahoma. Mr. President, I have made a motion that the Senate insist on its amendments numbered 27 and 28 to House bill 6837, ask for a further conference with the House of Representatives thereon, and that the Chair appoint conferees.

Very briefly the situation is this: It has been the custom and practice of the

Congress to provide, in connection with many of the appropriation bills, that a department may transfer money from one fund to another. For example, a department may take 10 percent or 5 percent, whatever the law allows, from one fund that may be long, and transfer it to another fund which may be short. The Navy appropriation bill which was passed by the Congress a few days ago contained a provision permitting a 5-percent transfer of funds. The Navy Department may take 5 percent of the money out of any particular fund under its jurisdiction and place it in some other fund in which the money is short.

I wish to read into the RECORD the various appropriation bills which carry such provisions. They are as follows: The State Department, Foreign Service; the Department of the Interior, Bureau of Indian Affairs; the Department of the Interior, Geological Survey—

Mr. WHITE. Mr. President, may I say to the distinguished Senator from Oklahoma that when I asked the question of the Senator, prior to the calling of the roll, I did not understand what was the situation.

Mr. THOMAS of Oklahoma. I want the Senate to have the situation perfectly clear, because the matter may come before it at some subsequent time. All the Senate committee is asking for is to have placed in the War Department bill a provision permitting a reasonable transfer of funds from one fund to another. The Senate committee is of the belief that a provision of this nature would be in the interest of economy. For example, the War Department cannot tell how much money it will need in carrying out the various activities for which the Congress has appropriated. So, as the year goes by, if they run out of money in a particular fund, under the 10 percent transfer provision they could take 10 percent of the money in a fund that is long and transfer it to a fund that is short, and thereby not be required to come back to Congress for a deficiency appropriation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Oklahoma, Mr. HAYDEL, Mr. OVERTON, Mr. RUSSELL, Mr. THOMAS of Utah, Mr. GURNEY, Mr. BROOKS, and Mr. REED conferees on the part of the Senate at the further conference.

DISTRIBUTION OF WAR TROPHIES AND DEVICES—CORRECTION IN ENROLLMENT OF BILL

Mr. GURNEY. Mr. President, some time ago—I do not recall the exact date—the Senate passed Senate bill 1746, which had to do with the distribution of war trophies and devices to memorials or museums in various sections of the United States. An error was made by the Government Printing Office in printing the bill for transmittal to the President. The words "war devices and trophies suitable for distribution" were left out of the bill. I have been informed that the proper way in which to correct the error is by the Congress agreeing to a concurrent resolution recalling the bill from the White House. Therefore, I

send to the desk Senate Concurrent Resolution 71, and ask for its immediate consideration.

The concurrent resolution (S. Con. Res. 71) was read by the Chief Clerk, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 1746) to govern distribution of war trophies and devices; that if and when the said bill is returned by the President, the action of the presiding officers of the two Houses in signing the said bill be deemed to be rescinded; and that the Secretary of the Senate be, and he is hereby, authorized and directed, in the reenrollment of said bill, to make the following correction, namely, on page 1, line 8, of the Senate engrossed bill, after the word "all", insert the words "war devices and trophies suitable for distribution", so that, as amended, the section will read:

"That the Secretary of War is authorized and directed to apportion and distribute pro rata among the several States in the ratio that the total number of persons who have served or are serving in the Army of the United States from each State bears to the total number of such persons from all States, all war devices and trophies suitable for distribution, with the exception of such trophies as may be required for experimental purposes or for other use by the United States or any department or agency thereof, and the further exception of such trophies as may be required for display in national museums, at national homes for disabled members of the armed forces, or for monumental purposes in Arlington National Cemetery and in other national cemeteries, national parks, and national monuments wheresoever situated."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the concurrent resolution was considered and agreed to.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. TAFT obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. KNOWLAND. On behalf of myself and the Senator from Michigan [Mr. FERGUSON], I desire to submit an amendment to the pending measure which will provide that where States or political subdivisions have set up rent controls the OPA will lose jurisdiction over such matters.

The PRESIDING OFFICER. The amendment submitted by the Senator from California on behalf of himself and the Senator from Michigan [Mr. FERGUSON] will be received, printed, and lie on the table.

Mr. TAFT. Mr. President, I have had called to my attention many complaints with regard to the raising of rents. I have answered all the persons from whom I have received complaints that I felt confident that, regardless of what may happen to the pending price-control measure, the Federal Government will continue to control rents. Certainly, I

would urge very strongly that that be done. Whether the pending measure is enacted into law or not, I believe there is almost unanimous approval in the Senate and in the House of Representatives of the continuation of rent control. So, if the pending measure is not enacted into law, I would do everything possible to bring about the passage of the resolution continuing rent control. Such a resolution was submitted by the distinguished Senator from Virginia [Mr. BYRD] on the first day after the President vetoed the price-control bill which was passed by the Congress a few days ago. The resolution is now pending in the Committee on Banking and Currency, and I feel confident that the committee is prepared to report it to the Senate if rents are not dealt with in some other measure. Of course, the pending joint resolution does not in any way change the present method of controlling rents. The present rent-control feature is provided for in the pending joint resolution without change. I believe there is actually little danger of a change in rents because, almost in every State rents are regulated under either a yearly lease or a month-to-month tenancy. Consequently, rents in very few cases can be increased before August 1. If a rent resolution or bill is enacted into law by August 1, most of the increases which are threatened—and most of the increases are only threats—can be prevented by the extension of the rent-control law.

Mr. President, I wish to say a word regarding the rather extraordinary situation in which we find ourselves because of the action of the distinguished Senator from Kentucky [Mr. BARKLEY] in presenting to the Senate a bill which is exactly the same as the bill which was passed by the Congress of the United States and vetoed by the President with the exception of two sections. One section is that which I proposed, providing that manufacturers should be entitled to reflect their increased costs in increased prices, dating from 1941, and the other is that proposed by the distinguished Senator from Nebraska [Mr. WHERRY], originally in the Senate itself, providing that any increases which were made should be passed on by the distributor, and providing, as adopted by the conferees, that the distributor's percentage margins on January 1 should not be changed.

Mr. President, what strikes me as remarkable is that all the other amendments, some of them definitely disapproved by the President, some of them providing almost exactly the same as the amendments which are omitted, are all included in the bill of the Senator from Kentucky, and he has chosen to omit only these two particular amendments. Incidentally, the President in his veto message referred only to three Republicans. He referred to no Democrats, although the majority of the amendments submitted to the bill were submitted originally by Democratic Members of the Senate.

Running through the amendments, both those in the original bill and those in the measure which is now before us, in the first place section 1 (A) dealing

with the whole question of decontrol was originally submitted by the distinguished Senator from Kentucky [Mr. BARKLEY] and the late distinguished Senator from Alabama, Mr. Bankhead. Senator Bankhead wrote that part, and the committee adopted the Bankhead amendment providing that all agricultural products should be subject both as to increased prices and as to decontrol to the unrestrained power of the Secretary of Agriculture. The President distinctly disapproved that proposal in his veto message, but the Senator from Kentucky has included it in the pending measure. The President did not refer to the fact that it was prepared and submitted by two Democratic Members of the Senate of the United States.

There is included in the amendment a particular provision which was originally proposed by the late Senator from Alabama, and written and supported by the Senator from Arizona [Mr. McFARLAND], which in effect decontrols cotton. Cotton itself is not subject to control; but some orders had been issued regarding the margins that could be handled on cotton, and the late Senator Bankhead and the Senator from Arizona submitted the amendment which provides that if no controls were in effect on April 1, 1946—and there were none then on cotton—no such controls can hereafter be imposed. This, in effect, is a complete decontrol provision insofar as cotton is concerned, and yet the President does not mention it, and the distinguished majority leader includes it in his redraft of the bill, although the administration says that if this provision for decontrol is inserted in the bill it will be vetoed.

The next amendment after the decontrol amendment, section 5 of the bill, relating to hotels, was proposed, I think, by the distinguished Senator from Colorado [Mr. JOHNSON]. It was a very minor amendment and of no importance.

The subsidy amendment was a compromise between the amendment submitted by the Price Administration and that of the Senator from Kentucky, with the exception of the provision for subsidies of \$100,000,000 for copper, lead, and zinc, which was submitted by the distinguished Senator from Arizona [Mr. McFARLAND].

In the roll-back subsidy provision there is a special provision that the handlers of cottonseed or lard substitutes shall be entitled to a price increase because of the fact that some years ago they had a subsidy and the subsidy was taken away from them without giving them a price increase. This amendment, designed to give a direct price increase to the manufacturers of lard substitutes, was submitted by the distinguished Senator from Arkansas [Mr. FULBRIGHT].

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Ohio yield to the Senator from Vermont?

Mr. TAFT. I yield.

Mr. AIKEN. Will the Senator tell me whether the bill which the President vetoed carried a provision for the termination of dairy subsidies?

Mr. TAFT. No.

Mr. AIKEN. I understand that it did, but when I read it over I failed to find such a provision.

Mr. TAFT. Roughly speaking, the House provided for a 45-day gradual elimination of the dairy subsidy. That was thought not to be wise, I think, by House Members themselves, because of the incitement to speculation every time the 45-day period was reached. So what we did was to provide, instead of \$2,000,000,000 which the administration wanted for all the subsidy purposes, a billion dollars, which would require a rather rapid reduction of subsidies up to the end of the year. If not necessary, the dairy subsidies should have been cut, instead of other subsidies being eliminated.

Mr. AIKEN. What does the measure which is now before the Senate provide in that respect?

Mr. TAFT. The pending joint resolution provides that the total subsidy shall not exceed \$1,000,000,000, instead of \$2,000,000,000, and shall not exceed \$629,000,000 during the last 6 months of the calendar year 1946.

Mr. AIKEN. Then, the limitation is provided for in the appropriation authorization rather than specifically.

Mr. TAFT. No; the limitation is in the joint resolution. One billion dollars is the total amount that can be spent on subsidies between now and the first of next year.

Mr. AIKEN. It is plainly evident that there will have to be a reduction of the subsidies.

Mr. TAFT. Yes; there would have to be a reduction under both the bill which was passed and the measure which is now pending.

The provision about cottonseed oil, as I have said, was proposed by the Senator from Arkansas [Mr. FULBRIGHT].

The next provision is a rather simple one, which says:

For the purposes of this act and the Stabilization Act of 1942, as amended, fish and other sea foods—

This is section 7—

shall be deemed to be agricultural commodities.

This rather curious provision was submitted by the distinguished Senator from California [Mr. DOWNEY] and written into the bill. I think I do not need to take the time to explain why that particular provision was inserted in the bill, but roughly speaking, it was to remove fish from control of the OPA and place it in control of the Secretary of Agriculture. That provision was submitted, as I have said, by the Senator from California [Mr. DOWNEY].

The next section, section 8, provides for the insertion in section 2 (j) of the original Price Control Act of the words; or (5) as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer.

That was submitted by the distinguished Senator from Kentucky [Mr. BARKLEY], and its purpose was to protect the distributors of nylon hose, because nylon hose was being distributed directly to the consumers, and the wholesalers were being deprived of their usual opportunity to handle hose. That was submitted by the distinguished majority leader himself in the committee.

The next provision is with regard to restaurants. I am not certain who sub-

mitted the rather minor provision regarding restaurants. I could not remember at the time and I do not now remember.

The provision abolishing MAP was submitted by the Senator from Delaware [Mr. BUCK], but it had the support of a number of Democratic members of the committee.

After that comes the Crawford amendment, which was referred to by the President—an amendment dealing with the margins of automobile dealers, and protecting those margins.

The next section, which is a special section written to protect the distributors of farm implements, was submitted by the distinguished Senator from Arkansas [Mr. FULBRIGHT]. The President distinctly disowns the Crawford amendment, regarding automobile dealers, but he does not disown the Fulbright amendment, regarding the distributors of farm implements.

The next provision is the one amendment to which the President referred.

The next is a House provision which was not in the Senate bill, and I am not certain about it.

Then we come to section 11, which is the controversial Taft amendment.

Section 12 is a provision which eliminates the \$25 charge for each offense if the retailer is able to show that he was acting in good faith. That was submitted by the distinguished Senator from Maryland [Mr. RADCLIFFE] and was said by the OPA to interfere very seriously with the enforcing of retail prices. But nothing is said about it either by the President or by the majority leader, and the majority leader has incorporated it again in his amendment.

The next subsection is a provision submitted by the Senator from Delaware [Mr. BUCK]. It provides that if a man got advice from the Administrator or a regional administrator and acted in good faith on such advice, he should not be subject to action by the United States. To that is attached a provision, paragraph 2, submitted by the distinguished Senator from Arizona [Mr. McFARLAND], regarding some special cases. If a public housing authority took bids, at public auction, but accepted a bid above the price ceiling, there should be no action instituted.

The next provision is the glove amendment, which was submitted, I think, by the Senator from Iowa [Mr. HICKENLOOPER], but had the support of all the committee, including the Senator from Idaho [Mr. TAYLOR] and the Senator from Washington [Mr. MITCHELL], who were opposed to nearly all the other amendments.

Section 13 is another amendment submitted by the Senator from Maryland [Mr. RADCLIFFE], again requiring actual, deliberate violation of the act before a license can be taken away.

Now I wish to read in particular section 14, because section 14 in effect provides for cotton and wool textiles exactly the same protection which the Taft amendment gives to all other goods. That is an amendment which was submitted originally by the late Senator from Alabama, Mr. Bankhead, and after his death by the Senator from Arkansas

[Mr. FULBRIGHT]. The amendment reads:

SEC. 14. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and—

Senators may have heard the Senator from Kentucky say that his new amendment left out the "weighted" business, but it is not left out in this amendment. The amendment continues:

"(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive)."

The base period is the average from 1939 to 1941, and with that slight variation the amendment provides almost exactly what the Taft amendment provides for other goods. But this amendment was submitted, as I have said, by the Senator from Arkansas. It was not referred to by the President, the Senator was not referred to by the President, and the majority leader in his redraft of the bill has now accepted that amendment, swallowed it whole, admitted that that was a proper policy as to cotton or cotton yarns or wool or wool yarns, yet he says that is an improper policy applied to any other manufactured product.

Mr. President, it seems to me that the illogical procedure we are now going through, because the President has chosen to pick out one particular feature of the bill and give it peculiar publicity, although he also attacked other features of it, leads to the conclusion that we should now say, "Very well, because he chooses to make an issue of that, we shall pay no attention to what is right, we shall leave in the things he has not referred to, and eliminate the other provisions and send him back in the way of a bill just what he wants, which eliminates one or two of about 20 amendments, 2 of which he seems to want to make a political issue."

Mr. President, I desire now to say a word on the subject of the pending amendment. From the beginning of the consideration of OPA it has seemed to me that meat should be decontrolled. I voted for the decontrol of meat in the committee. We did not have that question before us in the Senate, but I voted for some other decontrols, and that was expressly not voted on in the Senate. I voted for it in the conference, and on the floor here at the last moment, when it seemed to be a choice of no bill or eliminating the meat-decontrol feature

because the House would not agree to it, it seemed to me we had better pass the best bill we could get at that time.

Meat is a commodity which it is peculiarly difficult to control. It always has been difficult to control. There is an infinite variation in the cuts, which have to be sold at different prices, and which have to be judged. It is almost impossible for anyone but an expert to judge the character of livestock, or what particular livestock is worth, or how much should be paid for it. I admit it is difficult, and almost the last important control imposed by the Price Administration was the control of livestock, including beef and pork.

From the time that control was put on, it has not worked very well, and gradually, I think partly because of the inherent difficulty of control and partly because of stupid mismanagement by the OPA in their attempt to control it, there has been a complete break-down in the control on meat.

We have heard stories about the black market, and we know that meat went into the black market. We know that today large packers are not buying, yet there is still a black-market demand from people who figure they can buy meat today, take it east, and sell it later for anything they want to charge, whereas the legitimate packers feel that the ceilings may be reimposed, and they may lose if they buy any considerable quantity of meat today. There is still a black market, and will be until it is settled, whether or not meat is to be decontrolled.

I think we can rightfully say that meat control is a complete failure, and I believe the only possible solution is to eliminate entirely the control, and permit the forces of natural demand and supply to operate.

For the first time there is a very considerable supply of meat. It is available, and, if restored to normal channels, while it will probably rise somewhat in price, yet it will be restored to the channels where it belongs, and in probability the supply will meet the demand. In any event, whether it does or not, anything is better than the present situation, and the Secretary of Agriculture himself so told the committee. Early in May he told the committee that he hoped the slaughtering quota order that was put into effect would work. It had not worked before, but he expressed the hope it would work, and he thought it should have a trial. It had about 60 days' trial, and it did not do any good, and there was no sign that it would do any good. He said, "If that fails, there is only one thing left to do, and that is to decontrol meat." So we have advice from the highest authority in the Administration that the only solution left is to decontrol meat.

The argument is made that we should not decontrol meat because a Decontrol Board is provided for, and there is a provision that the Secretary of Agriculture may decontrol meat. The difficulty with that is that, after all, the final decision on such an important matter, which has been the subject of controversy here and throughout the United States, is not going to rest with the Secretary of Agri-

culture, and it is not going to rest with the Decontrol Board. It is going to rest with the President of the United States. If the Secretary of Agriculture issues an order to decontrol meat I have no question whatever that the Price Administrator will rush to the President, and Economic Stabilizer, if there is one, will rush to the President, and they will say to him, just what they tell us, that "if you take off any controls it will destroy all price control," and the Secretary of Agriculture, being in the President's Cabinet, is bound to listen, and and, I think, either to abide by the decision of the President or to resign.

So far as the Decontrol Board is concerned, it is true that the President is authorized to appoint three men, and they are to be confirmed by the Senate. But we are going to leave here very promptly, and there is nothing to compel the President to appoint them until after we are gone, and then we will have three different appointments, and the persons appointed may have the same philosophy as Mr. Porter and Mr. Bowles, in which case there will be no decontrols.

Mr. President, when we decontrol meat we might just as well decontrol petroleum and tobacco, because the latter two are products in connection with which the evidence shows clearly that the supply is equal to the demand. We had Mr. Porter before us and tried to question him on that subject. We asked him, "Why do you not decontrol petroleum?" The evidence shows the stocks are piling up. More is being produced than can be used." "Well," he said, "there is a coal strike on and there might be a maritime strike." I asked him, "Would you agree to decontrol petroleum within a specified time after the coal strike is settled?" He would not commit himself. The truth is that he will not decontrol petroleum unless he is made to decontrol it, because he believes apparently that the price of gasoline will go up a cent or two. I said 1 cent; I think probably it might go up 2 cents a gallon. Why? Not because the supply is not adequate to meet the demand, but simply because the price has been held artificially low. It has practically not been raised during the entire war, and if it is desired to get it in line with other products, the natural force of supply and demand will raise the price of gasoline. I do not think it will raise it much under those conditions, and the tendency again will be to bring it back to where it is. But so long as that condition exists Mr. Porter apparently is unwilling to decontrol petroleum.

Mr. President, I think I see in the President's message an acceptance of the same philosophy, because he said in his message vetoing the OPA bill, that he does not oppose the formulation of standards of decontrol "provided that the standards were modified to make sure that, during the next crucial 6 months, ceilings do not have to be lifted where it is clear that serious prices rises would result. The spelling out of detailed standards and the establishment of new and complex administrative machinery, however, do not seem to me to be necessary."

In other words, he wants discretion to say, "We think there will be a serious price rise even though the supply equals the demand." Yet that is the formula which is stated in the bill. The joint resolution provides that if the supply equals the demand a product must be decontrolled. But, of course, that is a situation that must be found to exist by Government authorities, by Government officials. The President apparently says that even though that condition exists he does not think that the product should be decontrolled if there is a serious price rise of if he thinks, or if Mr. Bowles thinks, or if Mr. Porter thinks that a serious price rise is possible. Mr. Porter always thinks a serious price rise is possible, and Mr. Bowles thinks everything is going up 75 percent. So, obviously, so far as there is discretion, they will find that such a price rise threatens and the products will not be decontrolled.

Mr. MURDOCK. Mr. President—
The PRESIDING OFFICER (Mr. SWIFT in the chair). Does the Senator yield to the Senator from Utah?

Mr. TAFT. I yield.

Mr. MURDOCK. The Senator says that gasoline may go up 2 cents a gallon if decontrolled.

Mr. TAFT. I am assured by men connected with the industry that they feel confident that it will not go up more than 1 cent, but it is so out of line with other products in value that personally I have allowed 2 cents.

Mr. MURDOCK. I wonder if the Senator, having the 2-cent increase in mind, has computed what the total cost of the 2-cent rise in gasoline would be to the people of the United States annually? The statement that a 2-cent rise may take place means little, but if it were computed on the basis of the entire consumption of gasoline in this country—I have not computed it myself—I imagine that the over-all cost to the American people would be a very substantial figure.

Mr. TAFT. I think it would be. But has the Senator ever thought how much increase in purchasing power was brought about by a general 20-percent increase in the wages and salaries of the people of the United States? That will amount to between \$10,000,000,000 and \$20,000,000,000 a year. In other words, we are both now talking in large figures.

Mr. MURDOCK. That is correct; but if we are going to wipe out all the wage increases which have been granted by upping the price of gasoline and upping the price of everything else that goes into the cost of living, then we start the vicious circle, or the vicious spiral, that never comes to an end. That, as I see it, is the problem we have before us today. Do we want to start that spiral which cannot come to an end or should we, during the ensuing year, in which production certainly will be stepped up to normal proportions, control prices in order to prevent the chaotic condition which results from the unending spiral of increased prices and wages.

Mr. TAFT. Answering the Senator, I will say that unless we recognize increased costs and increased prices we will have a steady reduction of production, and in no case is that as clear as it is in the case of petroleum. Mr. Bowles

looks at the profits of a large company and he sets the price of oil for that large company, and that company can make money on it. But immediately there is a holding back on all the prospectors for oil throughout the United States. I do not claim to be an expert on the subject, but I would judge that if the present price of oil is maintained there will be plenty of production during the next year, but we will see production gradually fading away until there will be practically no oil. In other words, we have to have a price sufficiently large to induce people to go forth and find new oil fields. That is one of the costs of the oil industry. But the same thing is true of every other industry. If the prices are held down so tight that they do not reflect the increased costs and increased prices, producers and manufacturers will not produce and manufacture articles they have to sell at cost or at a loss.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. THOMAS of Oklahoma. I should like to venture the suggestion that ordinarily in reasonably prosperous times some 2,000 well-drilling outfits are actively engaged in putting down wells and drilling to find oil. Now, because of the unknown future with respect to oil, there are scarcely half that number engaged in drilling to find new oil fields.

Mr. TAFT. I thank the Senator. That is the story I have heard, and I have every reason to think it is entirely accurate in accordance with the facts with which we have to deal.

Mr. President, the point I desire to make is this: In view of the philosophy of the Price Administration, and with the President apparently now willing to follow the philosophy of the Price Administration, judged by his veto message, I do not believe, regardless of the decontrol provisions we may put in this measure, that there will be any important decontrols made unless Congress makes them itself. I have had some hope previously that that would happen; that the President would accept the philosophy of Congress; that the President would in good faith and with sympathetic agreement undertake to provide a gradual decontrol of important items during the next 12 months. It seems to me that a reading of the veto message discloses that that is no longer true, and the decontrol provision when we come finally to the end, rests entirely on the discretion of the President of the United States. So I feel much more strongly now than I did before the veto message was received, that if we want to have decontrol we must decontrol ourselves. Certainly there is nothing where we can start with so clear a case as meat, because control of meat has utterly collapsed and petroleum and tobacco, with respect to which every figure shows that there is more than an adequate supply to take care of the demand.

I now wish to deal with another subject, which I think has a considerable bearing on what Congress should do. We have been flooded with a tremendous propaganda on both sides of the question. In both cases it has a rather peculiar

history. At the time of the passage of the original bill, as well as at the time of the President's veto message, there was a tremendous outpouring of telegrams in favor of continuing OPA. Gradually it changed over until toward the end of the public interest and excitement the majority was 2 to 1 against it. As soon as the President vetoed the bill I received a great many telegrams, running approximately 2 to 1 in favor of continuing OPA. By Tuesday they were about half-and-half. On Friday last I received more than a thousand telegrams, and they were 2 to 1 in favor of abolishing OPA, or at least they encouraged opposition to OPA, and I think the majority of them were in favor of ending all OPA control. I believe that the propaganda was partly stimulated on both sides; but certainly on one side it seems to me to have been deliberately stimulated by the Office of Price Administration, by a Government department lobbying, in effect, for the continuation of its own existence and leading the way in propaganda to bring pressure to bear on Congress to continue the OPA exactly as it was.

In that connection I should like to have printed in the RECORD at this point as a part of my remarks an article published in the New York Herald Tribune of last Monday.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WEEK IN FINANCE
(By Edward H. Collins)

ON A CLIPPING RESURRECTED FROM THE FILES

One month ago today, on June 8, the Wall Street Journal printed a story on page 1 from George B. Bryant, Jr., of its Washington bureau, which, while it could be accepted at the time only as an interesting though circumstantial piece of gossip, takes on new significance in the light of the events of last week in connection with price-control legislation.

Mr. Bryant, a correspondent who may be said to combine inquisitiveness with reliability, wrote that the administration was then seriously considering an eleventh-hour gamble to win extension of the price-control law exactly as is, without any so-called crippling amendments. The strategy, he said, had originated in the offices of Office of Price Administrator Chief Paul Porter and Economic Stabilizer Bowles. It had not, as of that date, been put up to President Truman. "But," wrote Mr. Bryant, "its advocates think they can persuade the President not only that it might work but that it is good politics even if it fails."

The strategy, according to the information obtained by Mr. Bryant, was to be this:

(1) The flow of official propaganda will be stepped up, to convince the public that the type of OPA extension Congress is voting means ruinous rising prices.

(2) No effort will be made to compromise the more drastic amendments advocated in Congress. This will insure the most crippling amendments.

(3) Then, when the extension measure reaches the White House, probably a matter of days before the OPA's extension dead line, on June 30, the President will veto it and demand a no-amendment continuation of price controls. The administration will gamble that Congress, anxious to adjourn, will comply rather than risk the end of price control a few months before the congressional elections.

This almost forgotten news story was recalled in listening to Richard Harkness' Washington news broadcast last Wednesday

night over Station WEAH. Mr. Harkness' recapitulation of the events leading up to the Presidential veto seemed to lend such corroboration to the Bryant story that the writer decided to dig that story out and at the same time seek the invaluable aid of Radio Reports, Inc., in obtaining a transcript of the Harkness talk.

The sequence of events, particularly those pointed out by Mr. Harkness, would seem to verify almost beyond the semblance of a doubt the factuality of the information on which Mr. Bryant based his June 8 story.

Take the three major phases of the strategy said to have been devised by Messrs. Porter and Bowles.

1. It is a matter of common knowledge that the flow of propaganda has been stepped up in recent weeks. Highlights in this campaign were the rally staged by the OPA at the city hall in this city, in which Mr. Porter predicted skyrocketing prices if Congress persisted in its determination to scuttle price control; repeated warnings by OPA and other officials of price anarchy accompanied by new wage demands, and the spectacle of a minority in the Senate Banking Committee being used as a sounding board for this same thesis.

2. Events have completely justified the prediction that no effort will be made to compromise on the more drastic amendments. On this point Mr. Harkness' observations are particularly interesting. Said he:

Not once in this period from September 1—when the President first asked for an extension of price control—through June 30 was there ever a session of the President and Members of Congress with any Republicans present when this bill was discussed. There was no indication of how far Congress was willing to go with the President or the President with Congress.

"Mr. Truman did call a special meeting last Thursday night. He invited Members of his Cabinet, Chester Bowles, Mr. Paul Porter, others of his economic advisers.

"I can tell you that one group advised Mr. Truman to accept the bill. These men included Tom Clark, the Attorney General; Mr. Snyder, the Secretary of the Treasury, and several others. Among these others, it seems to be known, were Julius Krug, Secretary of the Interior, who did such an excellent job with the War Production Board, and Civilian Production Chief Small. Bowles and Porter argued, of course, for a veto. The point is that President Truman conferred that evening only with members of the executive branch of the Government; spokesmen for Congress, where the issue would have to be settled, were not invited.

"These men went to the White House the next morning. But even then, the only ones called in were the Democratic leaders of the Senate and House and Speaker RAYBURN of the House.

"Senator BARKLEY, the President's spokesman in the Senate, left the President, believing that he would sign the bill. That was his belief when he went back to Capitol Hill on Friday morning, when it was still not too late for a compromise.

3. The last minute veto of the bill is, of course, now recorded history. The only difference between the prediction and the fact is that it came not "within a matter of days," but of hours, of the expiry of the existing law.

The circumstantial evidence, then, is overwhelming that the President's veto action had been planned long in advance, a fact which is further borne out by the unmistakable Bowles-office touch to his veto message and radio address. Now, if this be true, what about Mr. Truman's attempt to place the major responsibility for his veto on the so-called Taft amendment? For that amendment was not even in the bill when Mr. Bryant's apparently well informed story was printed by the Wall Street Journal on June 8. It was not in it when Mr. Porter warned

against runaway inflation at the city hall rally on June 6 (his targets were meat decontrol and MAP). And it was not in it when the Senate minority in the Banking Committee denounced the measure as the death sentence of price control.

The plain historical fact is that the Taft amendment didn't find its way into the price-control bill until June 12, after it had reached the Senate floor, and after the measure, although the public was unaware of the fact at the time, was already marked for liquidation.

Mr. TAFT. I wish to read a portion of the article, because it is very interesting. It calls attention to an article written by George B. Bryant, Jr., on June 8, and published in the Wall Street Journal. It points out how accurate Mr. Bryant's prediction seems to have been.

Mr. Bryant wrote on June 8 that the Administration was at that time considering—

An eleventh-hour gamble to win extension of the price-control law exactly "as is," without any so-called crippling amendments. The strategy, he said, had originated in the offices of Office of Price Administrator Chief Paul Porter and Economic Stabilizer Bowles. It had not, as of that date, been put up to President Truman. "But," wrote Mr. Bryant, "its advocates think they can persuade the President not only that it might work but that it is good politics even if it fails."

The strategy, according to the information obtained by Mr. Bryant, was to be this:

1. The flow of official propaganda will be stepped up, to convince the public that the type of OPA extension Congress is voting means ruinous rising prices.

That certainly has been done.

2. No effort will be made to compromise the more drastic amendments advocated in Congress. This will insure the most crippling amendments.

3. Then, when the extension measure reaches the White House, probably a matter of days before the OPA's extension deadline on June 30, the President will veto it and demand a "no-amendment" continuation of price controls. The administration will gamble that Congress, anxious to adjourn, will comply rather than risk the end of price control a few months before the congressional elections.

Skipping some of the article—

Take the three major phases of the "strategy" said to have been devised by Messrs. Porter and Bowles.

1. It is a matter of common knowledge that "the flow of propaganda" has been stepped up in recent weeks. High lights in this campaign were the rally staged by the OPA at the city hall in this city, in which Mr. Porter predicated "skyrocketing prices" if Congress persisted in its determination to "scuttle price control"; repeated warnings by OPA and other officials of "price anarchy" accompanied by new wage demands, and the spectacle of a minority in the Senate Banking Committee being used as a sounding board for this same thesis.

2. Events have completely justified the prediction that "no effort will be made to compromise on the more drastic amendments."

I shall not read what he says on that subject, but I wish to say that in the Banking and Currency Committee the OPA would not move 1 inch. It would not promise anything. The OPA officials would not say that they would decontrol anything. They would not say that they would increase any price. The amendment which I offered was sub-

mitted to the OPA over and over again, and was rejected on the theory that what we wanted to accomplish was the destruction of the 1936-39 profit base and the elimination of the over-all industry standard. Would they themselves draft something on that line? No; they would not. They came back with amendments which in effect provided, in roundabout language, that they could continue doing what they pleased. In connection with one or two minor matters Mr. Field, counsel for the OPA, who sat with us on most occasions, very agreeably drafted a proposal which a Senator wanted, but he never agreed to it. He never agreed to a single one of the amendments. The strategy here outlined was followed down to the last dot by the OPA. If they had seriously desired to compromise my amendment; if they had seriously desired to accept in good faith the policy of Congress regarding decontrol, I do not think there would have been great difficulty in agreeing upon a bill.

Continuing with the article:

On this point Mr. Harkness' observations are particularly interesting. Said he:

"Not once in this period from September 1 (when the President first asked for an extension of price control) through June 30 was there ever a session of the President and Members of Congress with any Republicans present when this bill was discussed. There was no indication of how far Congress was willing to go with the President or the President with Congress.

"Mr. Truman did call a special meeting last Thursday night. He invited members of his Cabinet, Chester Bowles, Mr. Paul Porter, others of his economic advisers.

"I can tell you that one group advised Mr. Truman to accept the bill.

"Bowles and Porter argued, of course, for a veto. The point is that President Truman conferred that evening only with members of the executive branch of the Government; spokesmen for Congress, where the issue would have to be settled, were not invited.

"These men went to the White House the next morning. But even then the only ones called in were the Democratic leaders of the Senate and House and Speaker Rayburn of the House.

"Senator BARKLEY, the President's spokesman in the Senate, left the President, believing that he would sign the bill. That was his belief when he went back to Capitol Hill on Friday morning, when it was still not too late for a compromise.

I do not affirm that to be so. I do not think he did. I think that is an exaggeration. He expressed to me the hope that it would be signed, but no expectation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I had no particular intimation as to what the President would do, and I did not give expression to such sentiment as is described in the article.

Mr. TAFT. After a conversation with the distinguished Senator from Kentucky, when I was asked what I thought I stated my opinion that the chance of the President vetoing it was about 50-50.

Continuing with the article:

3. The last-minute veto of the bill is, of course, now recorded history. The only difference between the prediction and the fact is that it came not "within a matter of

days," but of hours, of the expiry of the existing law.

What is important is that on June 8, when this strategy was described by a reporter who evidently knew what he was talking about, the Taft amendment was not even in the bill. The Wolcott amendment was in the bill, but the Taft amendment was inserted on the floor of the Senate about June 15. It was not in the bill at that time.

So far as I am concerned, I am perfectly satisfied that the veto based on that amendment was simply a smoke screen to conceal the general unwillingness to accept the idea of a gradual disintegration and reduction of price control. I feel very strongly that the philosophy behind the propaganda to which I refer is a philosophy for continued and permanent price control. That is one reason why I feel that we should provide for the decontrol of meat, namely, to show that we are not merely using language, but that we actually mean to do something to prove to the people that decontrol is to begin now, and that we are looking forward with complete sincerity to the abolition of price control by the 1st of July 1947.

Mr. President, I wish to refer to the feature of OPA propaganda. The OPA has conducted probably the most extensive propaganda campaign ever conducted by any Government agency on any subject, I think considerably greater than the campaign on Bretton Woods, which campaign was continuous for a year or more. It is a campaign which, so far as we can tell, is for the indefinite continuation of price control. It is a campaign which is based on a general attack on all the business interests of the United States and the general stirring up of the people against the business interests and the stirring up of the people against the retailers and the wholesalers and the manufacturers, and even to some extent against the farmers.

Mr. Bowles' course is carried out by any number of different methods. The cost of the propaganda is somewhat difficult to judge. The OPA itself admits in its estimates for 1946 the sum of \$2,579,000 for information expenditures. Apparently, however, a good many other activities are carried on by the OPA indirectly, by all its members and all its employees, as well as by those who are specifically employed for the purpose of information.

I may say at this point that today the total number of Government employees engaged in educational, informational, promotional, and publicity activities is 45,778, and the total admitted and direct appropriations for them for 1946 amounted to \$74,829,000. Of course, that sum does not include the appropriations for personnel and does not include the cost of Mr. Bowles' radio speeches, which in general are not paid for. It does not include the cost of printing the ration books. I do not think it includes the cost of the propaganda sent out 1 month with each check which went to the dependents of every soldier of the United States, a year ago in October, lauding the purposes of the OPA to prevent inflation, and urging a continuation of the OPA. That propaganda went out through the

War Department. Other departments of the Government have been similarly employed in carrying on such propaganda.

Of course, one method is by direct speeches and direct publicity and by various types of activity on the radio. Listen to what Mr. Bowles said in his speech on June 4 which is purely a demagogic speech:

The forces of organized greed must seem to you oblivious to the public interest—determined to get theirs while the getting is good. And that isn't a pleasant picture for you to look upon.

He further said:

The forces of self-interest which form the hard core of opposition to the price- and rent-control programs are strong and in a position of great influence.

The rent-control program is frequently referred to, for they know the importance of rent to the people. Mr. Bowles emphasizes rent and the abolition of rent controls. No one ever proposed to abolish rent controls. No one ever seriously tried to amend the rent-control provisions, although many of them are unjust to landlords who are in special situations and who had their rents frozen, beginning 4 years ago, although in some cases they have had greatly increased expenditures, both for fuel and for employment.

In the propaganda, general statements are made about the last war. I may say that some day I hope to analyze the figures in regard to what happened after the last war. But I am perfectly willing to affirm that the total increase in the price level during the recent war and following it is going to be greater, when measured from the prewar level to the postwar level, than the increase in the price level in connection with the First World War. It is true that by having no control at all, except in regard to a limited amount of foods, the price level went up after the First World War, and then later came down to some extent. But as compared to the level-off in 1922, the increase now existing already is as great as that, and I think it is bound to be greater than the increase occurring in connection with the First World War, because all the underlying costs have been increased more than they were at that time. Prices have been higher; but after all, they go down. Wages have been higher, and they stay where they are, and prices must conform to the wage costs.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. THOMAS of Oklahoma. Does not the Senator from Ohio agree that the economic condition of the United States not only justifies a higher price level, but will make a higher price level mandatory?

Mr. TAFT. I said at the beginning of the recent war that, although I was in favor of price control and voted for the price-control bill and helped to put it through, nevertheless, in view of the tremendous expenditures which we would incur and the difficulty of providing such a tax system as would enable the Government to raise anything like the amount of tax revenue needed, without placing a tremendous burden on one

group or another of our people, I did not think it was possible in wartime to prevent an increase in the price level; and at that time it seemed to me rather difficult to keep the increase in the price level below perhaps 10 percent for 2 years and then 5 percent a year thereafter, which would have aggregated perhaps 30 or 40 percent. It seemed to me that under war conditions we were bound to face a 30- or a 40-percent increase.

Now we have all this propaganda about how everything went to pot and prices were high and everyone suffered during the first World War when we had no price control. I think they did. I think the complete absence of control resulted in an upward spiral, and a relaxation brought on a short depression which was unfortunate. I think that during the recent war the control has been more regular. But the total advance this time, in my opinion is going to be greater than the total advance at that time.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator further yield to me?

Mr. TAFT. I yield.

Mr. THOMAS of Oklahoma. After World War I, it took the administration then in power from 1918 to 1926 to arrive at a determination as to where the price level should be so as to enable the people to survive and pay their bills and get by. At that time the national debt was only \$26,000,000,000. By 1926 it was less than that. It is true that at that time prices were somewhat high, and in 1920 an attempt was made to obtain a reduction in the high cost of living, and the people voted that fall for a reduction in the high cost of living, and they secured it. But even so, it took 6 years thereafter to come to the point where agreement could be reached as to where the price level should be. In 1926 the price level was fixed at 100 percent. Since 1926, that ideal or goal of a 100 percent price level has been the basis upon which we have proceeded.

At the present time the price level is only about 11 percent higher than it was in 1926. It is my conviction that the price level which we now have is not as high a price level as we must have in order for the people to make the money which they must make if they are to pay the taxes required to keep this country a going concern.

Mr. TAFT. Mr. President, I do not venture to agree entirely with the Senator from Oklahoma; but I think that certainly unless prices go at least sufficiently high to pay the costs of production, we shall not obtain the needed production. I think it is absolutely essential that we get away from the theory that wages can be increased without prices being increased.

In his radio speech in June Mr. Bowles also said:

Many groups throughout the country were hungry for profits and still more profits. Obviously, if prices and rents could be increased and then increased again, profits would be multiplied.

That is what Mr. Bowles said in his June 4th radio speech, and that speech is an example of the way he has appealed to the prejudices of the people and the way he has pursued the most

demagogic possible propaganda in order to attain his ends.

In his speeches he has referred to a number of other matters which I do not need to mention now. I merely have cited that much of his radio speech as an example of the kind of direct propaganda which has been engaged in by the Office of Price Administration.

When Mr. Bowles writes letters or editorials, they are later reprinted by the Office of Price Administration, at their own expense, and are circulated throughout the United States to all persons who wish to read Mr. Bowles' articles or editorials, even though they have not been able to hear him speak on the radio. For instance, I hold in my hand one of his editorials which was published in the Washington Post, and consequently was reprinted and circulated.

In the second place there is a steady and constant outflow of propaganda to all the employees in the Office of Price Administration. I do not know whether Senators are familiar with all the news letters which are being issued. For example, here is a copy of the Pacific Region News Bulletin, issued from 1355 Market Street, San Francisco. It is full of all kinds of OPA propaganda and OPA stories. Here is a statement which the letter contains:

The ex-serviceman, warned by Linkletter to generalize with the statement "Congress is looking into that" whenever he was taxed with a query he couldn't answer logically, was rushed to the dinner. The questions and answers were piped into the People Are Funny show, and, while gales of laughter echoed and echoed over the air, the message of OPA's present and future job went over with a bang. So did the sailor and the Consumer Committee.

Linkletter closed his show with a plea for continued price controls. The sailor won some fabulous prizes. And Irving Eckhoff, southern California district information director, and Harold Lampel, radio officer, got accolades for one of the finest public information jobs this year.

Mr. President, that is merely a little sidelight on the continuous propaganda which is carried on in every OPA office in every State, and through the various news letters which are gotten out every week or every month, as the case may be, and at Government expense.

The OPA prepares speeches for various persons to make before meetings of various kinds. The speeches tell about the merits of the OPA, and particularly urge consumers to tell about what happened following World War I. Usually they greatly exaggerate what did actually occur at that time. These speeches are furnished to persons who wish to make speeches to veterans, at housing meetings, at consumers' meetings, and so forth. They are all prepared by the OPA Information Division, Empire State Building, New York. Of course, the justification for all this propaganda is that the OPA is concerned with enforcement. The OPA wants to tell all the consumers throughout the country all about what it is doing and trying to do, and to urge them to help it enforce the law. From the beginning the OPA has pursued the policy of the "big stick." It has pursued a policy of getting all the consumers it could get to go after the businessman.

They are told to keep guard against the businessman. They are told such things as this: "He is the fellow who is going to try to gouge you. So you must organize and go out and see that the laws are enforced."

During the war such articles and commodities as those which were controlled, were controlled largely by the industry. Any patriotic industry will work out what should be a proper control. It will be found that 90 percent of the industry will help enforce the law. That is the only way in which the law can be enforced. But, if we stir up sentiments of demagoguery against the businessman and try to enforce unreasonable controls, inevitably the hostility of all businessmen is incurred.

Mr. President, I have before me copies of other news letters. Here is a letter issued for Arkansas, Texas, Louisiana, and Oklahoma. Here is a left-wing cartoon which is published in connection with one of the articles. Whenever any newspaper or publication carries a letter friendly to the OPA it is published in every news letter and circulated to all the employees and, of course, to all their families and friends. Nearly all these news letters contain a message from Paul Porter or Chester Bowles urging the people on to greater exertion.

Mr. President, here is a news letter for the district of Kentucky, Ohio, Indiana, Michigan, and West Virginia. It is a reprint from the Cleveland Press. On one side is a statement relative to rents. On the other side is a statement, "Auto black market, largest in the OPA history, smashed."

If the auto black market was smashed it has been restored, because it seems to be operating at high speed today.

Here is a special cartoon which, I believe, was drawn for this particular news letter.

Here are some copies of Paul Porter's weekly letters to the Board which go out constantly in urging greater propaganda effort.

Here is a copy of the Pacific Region News Letter with a cartoon about uncontrolled prices by Fitzpatrick who draws cartoons of that nature. Of course, Mr. President, the propaganda is all on one side. There is no admission anywhere that anybody else but the OPA could be right. There is no admission that any other opinion than that of the OPA could be correct. There is no suggestion as to when the propaganda will end or gradually tone down. The whole story is one of indefinite continuation of OPA control.

Here is a letter, together with a chart:

Here is a statement as carried in the news letter:

BOWLES BROADCAST

Although he is no longer Administrator, Mr. Bowles will continue his weekly broadcast, at least for the time being, with Mr. Porter speaking every third week or so during the next few weeks while hearings on the extension of the Price Control Act are being held.

Of course, wide publicity with reference to any radio speech to be delivered by Mr. Porter or Mr. Bowles is given through all the OPA offices.

Here is a letter of February 5, last:

As I see it, the fact that hearings are being held at this time indicates very clearly that the big bulk of the American people want firm and immediate assurance that controls will be maintained until the inflationary danger is over. People want to know that the prices they pay for food, clothing, rent, and other essentials will not mount to inflationary heights in the months ahead.

But, as always, these discussions often point up some criticism of our work by a few pressure groups who stand to benefit by higher prices.

Mr. President, no one criticizes the OPA except a few pressure groups who stand to benefit by higher prices.

I continue reading from the letter:

And the full impact of these attacks on price control is always felt most by those of us here in Washington.

I am sure all of you are well aware of this. You people, better than anyone else, know how well we have been able to withstand these attacks time after time. And I am sure that you believe, just as firmly as I do, that we will be able to continue to withstand them.

Yet, in view of the very real issues at stake, conflicting opinions and reports are bound to occur. And this means that the next few weeks will be particularly trying on all of us.

But, as I have said so many times before, we are all in this thing together and we are going to finish the job.

Mr. President, the general effect of this is shown by a letter I received dated February 14, signed by a large list of OPA employees and employed workers. It is very difficult to say how much of this whole propaganda is stirred up by the OPA employees. There are about 30,000 of them left, I think, or 25,000; I am not sure of the exact number. The number was up to about 40,000, but was reduced when rationing was dropped.

Here is a form of letter which was sent to someone who wrote from New York to Mr. Porter complaining about the OPA. He got in reply a form letter which Mr. Porter issued, reading as follows:

DEAR MR. MERRIAM: Thank you very much for your recent words of encouragement.

Naturally we are deeply concerned about the recent vote of the House of Representatives on price and rent control.

Why he mentioned rent control I do not know, because the House of Representatives did not say anything about rent control. It is merely to stir up the people on the subject of their rents, because they think that is a particularly easy method of exciting them.

Unless the Price and Rent Control Act is extended by Congress—and extended without weakening change—our authority to keep down rent and prices will have been in vain. But the drastic changes favored by the House of Representatives are not yet law. I fervently hope, for the sake of this country, that they do not become law.

Meanwhile our day-to-day fight to get production rolling and to keep prices and rents in line at the same time must and shall go on. I have deep faith in our collective good sense in seeing that this fight will be won.

It is gratifying to know that you and many others have taken the time and trouble to let us know of your support and confidence.

Of course, they have a perfect right to answer letters. That does not come

under the legal prohibition against spending money for propaganda, but if what I have read is not an appeal to the people to get after the Senate and see that they do not approve the House of Representatives bill, I do not know what it is. That is a type of direct propaganda to the people.

Here is an example of OPA spot radio announcement. They are putting spot radio announcements all over the United States. I read this merely to show the kind of thing they do.

Sorry. I'll have to give you your change in thousand-dollar bills. I'm all out of the larger denominations. That sounds ridiculous now, doesn't it? But the time could come when that speech would be an everyday occurrence. That is the ultimate outcome of a wild inflation. Such an inflation is a distinct possibility in this country if the people—and that means every one of us—decide that it can't happen here or that nothing that we could do individually would prevent it happening. The truth is that something can be done by all of us—and if we all do not cooperate we face a future of economic chaos. Remember, the black market is our enemy—don't patronize it. Report all violations of price ceilings or rationing controls.

That gives them the excuse, but this kind of radio spot announcement is intended without any question to stir up public opinion in favor of continuing the OPA, and to bring down upon us some of the letters we have already received.

The OPA has gone into the schools in order to get the school children to take an active interest. Here is a form distributed in the Pacific coast area, I believe, after some protests, it was finally abandoned by the OPA. It comes from the northern California district office, issued to high school principals and teachers by William F. Elliott, district information executive. It reads:

SUBJECT: QUIZ ON PRICE CONTROL

In an attempt to determine the average student's knowledge of price control and its effect, we are asking the cooperation of the principals and teachers in making a survey.

You will find attached a list of six questions with a space provided for the number of children participating, the number who answer "Yes," and the number who answer "No." After the survey has been completed in each classroom, the principal will take a total for the entire school and mail it to Cyndie C. Ewart, OPA northern California district office, room 305, 1355 Market Street, San Francisco 3, Calif.

While the survey is being conducted, we feel that it would be advantageous to conduct a discussion in the classroom to clarify each point.

To clarify each point, these are the questions:

1. Was there price control after World War I?
2. Did you know that there were more than 100,000 stores (wholesale and retail) forced out of business by the depression that followed World War I?

I do not think that is true, but I do not know whether they know it or not. Certainly it is what might be called a leading question.

3. Did you know there were more than 11,000,000 men unemployed during the depression after World War I?

I do not know what that has to do with the question. I do not know how many

there were unemployed in 1920, but most of the 11,000,000 unemployed were out of work in the thirties. That was the time when most of the unemployment occurred, and had nothing to do with price control. The letter continues:

4. If all price control were discontinued now as it was after World War I, do you believe we could avoid another depression?

5. Do you believe that price control has been helpful to your future?

6. Do you think price control should continue until the manufacturers are able to supply adequate goods to meet demand?

Mr. President, this matter was circulated in the schools. There was such a protest after awhile that I think the OPA decided it would not do.

Mr. TOBEY. Mr. President, it seems to me the framers of the material would be classified as having great faith in the power of suggestion.

Mr. TAFT. It seems to me that is the main purpose of the distribution.

From Warren, Ohio, I received a large number of letters appealing to me to vote to continue price control. That was about 3 days ago, and the letters came from students of the Warren, Ohio, high school. They all seem to be in favor of the continuance of OPA except one, and all follow the same argument. I discovered that on each one was marked "A" or "B" or "C." Apparently a test was being conducted, by a man who I found was not a regular teacher, but had once been connected with OPA, and was a sort of special teacher employed in the school. This test apparently comprised writing me a letter in favor of OPA control. If the students wrote a good letter, they got a high mark, and if they wrote a poor letter they got a low mark. There was quite a bit of excitement there, but finally that was all discontinued.

Mr. President, here is a letter sent out by the administrator distributing throughout the country the sixth report of the Director of War Mobilization and Reconversion, which was very strong on the subject of continued price control.

Here is a shopping list, as printed by the United States Government Printing Office, an anti-inflation shopping list, which was distributed to all the teachers in the schools in Omaha, Nebr.

There has been a special drive aimed at the veteran. The returning veteran has been subjected to all kinds of propaganda, and special pamphlets have been printed for him.

Here is a letter from the Office of Price Administration in New England, Boston, to all veterans' organizations. I might say that the headline says "Veterans," but it comes from the Office of Price Administration, and reads:

Some people would have you believe that the OPA is a "gestapo" organization. Nothing could be further from the truth. The OPA is essentially a community organization, made up of public-spirited citizens giving their time and energy to fighting inflation. On the one hand, you have people shouting, "gestapo" and on the other, the predominant cry, "Why doesn't the OPA stop the black market?"

Because Congress has limited the appropriations with which to administer price control, our enforcement division does not have sufficient manpower to fight the black market alone.

So they appeal to veterans to help them fight those who want to charge higher prices.

Here is a speech released for servicemen's groups. I say it is propaganda because it puts all the arguments on the one side and does not anywhere admit that there could be the slightest imperfection in OPA.

Here is a small pamphlet printed by the Government Printing Office, of the usual type drafted for people with 10-year-old minds, who cannot read, and have to get their information through pictures.

Here is a cartoon which is a picture of a restaurant, with these signs shown on the wall:

Blue plate special, \$300.
Golden brown waffles \$125.
Best coffee in town, \$33.50.

The restaurant keeper is saying to a veteran:

The blue plate's \$295 for discharged sojers—that leaves ya \$5 fer th' streetcar.

This is the kind of thing the Communists would distribute if they were doing the same job; and they are doing the same job. They have some pamphlets like this. This is the technique of Communist organizations.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Does the Senator from Ohio yield to the Senator from California?

Mr. TAFT. I yield.

Mr. KNOWLAND. The Senator has just mentioned the Communist Party. I think at this time it would be appropriate to read a pamphlet which was distributed to tenants in the city and county of Los Angeles, issued by the Thirteenth Congressional District of the Communist Party, County Office, 124 West Sixth Street, Los Angeles 14, room 525. It reads:

IT'S UP TO YOU

Congress has unleashed the tidal wave of inflation. The rent gougers, speculators, and monopolists for years have been trying to destroy the OPA. Now it is done.

The reactionary congressional stooges of the National Association of Manufacturers bear the direct responsibility, whether they are Republican Tafts and Knowlands, or Democratic O'Daniels and Barkleys.

The greedy fingers of the profiteers are now free to dip into your pockets unrestrained—to remove what little is left of your war savings and pay envelopes. Already landlords are doubling and tripling rents. OPA price lists have been removed from stores, and prices are being marked up 50 to 100 percent.

The people have the power to stop this calamity, which unless checked, will plunge this country into a depression greater than 1933. It was the pressure of the people which caused President Truman to veto that monstrosity—the "boopy trap" bill.

The people must organize and act now to save price control.

1. Support the organization of consumer-tenant committees. Refuse to pay price and rent increases. Demand a moratorium on evictions.

2. Send wires to Governor Warren, Mayor Bowron, the county supervisors, and the city councilmen. Demand that they freeze rents and prices by invoking the wartime emergency powers.

3. Wire Congressman NED R. HEALY (if you live in the Thirteenth Congressional Dis-

trict), backing up his defense of OPA and asking for immediate action to extend the OPA with full price control.

4. Organize delegations of your neighbors and organizations to the mayor.

Action alone can save the situation.

Issued by Thirteenth Congressional District of the Communist Party; county office, 124 West Sixth Street, Los Angeles 14, room 525.

Mr. TAFT. Mr. President, I was dealing with the direct propaganda, but there is a tremendous amount of party-line propaganda. Whenever the OPA gets anything out a large number of the commentators on the radio simply accept what OPA hands them and pass it on to the public. A large number of fellow-traveler organizations, such as the Communist Party, put on a campaign which is equal probably to that of the OPA, although it cannot be so well financed, so it is not quite as extensive and the literature is not so elaborate as that which I shall refer to later. But with reference to the Communist Party, here is another Communist appeal from the Communist Party of Tampa:

The OPA is dead. Sentenced to death by a reactionary click of Taft-type Republican-Democrat-National Association of Manufacturers group. Our country is now headed for its greatest period of inflation. Rents and food are soaring sky high.

Our country needs an effective OPA bill to fight the war-profit-minded attack of big business on our pocketbooks. An OPA bill with plenty of teeth in it. Wire and write your Congressmen and Senators and tell them that now is the time for action. There is no time for debate and filibuster, but rather action, action for effective price controls.

Here is another one put out by the Communist Party of the Nineteenth Congressional District of Los Angeles:

The President of the United States has just vetoed the emasculated OPA extension bill.

They do not say it was vetoed in spite of the advice of the distinguished majority leader.

This means that starting July 1, there is no control whatever on prices. Big business, with the aid of the United States Senate and House of Representatives, has gained a partial success. * * * Wire or write your Congressman and demand a special session at once to extend the OPA. Wire or write to Senators KNOWLAND and DOWNEY in Washington.

Issued by the Communist Party, Eleventh Congressional District, 2037 Brooklyn Avenue, Los Angeles, Calif.

Here is one from Lynn, Mass.:

Do your part to stop inflation.

The attack by big business through Congress on the living standards of the American people has reached its height with elimination of all price controls.

What you can do:

1. Write immediately to your Congressmen and Senators demanding quick passage of a strong price-control bill.

It is becoming increasingly clear that the capitalist system under which we live is old and useless; that it is incapable of serving even the basic needs of all the people; that it will not and cannot solve the problems of postwar reconversion to peacetime living; that so long as we allow this system to exist it will further reduce our standards of living.

Issued by the Communist Party of Lynn.

Then, of course, the CIO is running in all their newspapers similar appeals. This is an Ohio CIO Council news letter which says:

Through the efforts of Senator TAFT and other Congressmen, the Nation today is gripped in a price panic. * * * Write to your Congressman and Senators TAFT and HUFFMAN.

They do not mention the fact that the President vetoed the bill, and that he really brought OPA to an end.

Here is another one from the Ohio State Youth for Democracy, which is distributed on the campus of Ohio State University:

Wire Representative VORYS and Senator TAFT.

Perhaps one of the most active of these organizations is the American Veterans' Committee. Here is a communication that I think ought to be published in full, and I shall read it. It is from the American Veterans' Committee, 201 Barr Building, Washington, D. C., dated July 1, 1946. They were all ready for the veto, apparently.

AVC TECHNIQUES IN PRICE-CONTROL FIGHT

1. Set up sidewalk telegram booths to send night wires to Congressmen.
2. All veterans sign with old serial numbers—Congressmen sensitive to veterans.
3. Sell "Taft apples" or name them after local inflationist Congressmen. In St. Louis "Ploeser apples" sold very well for 75 cents. Ties up memories of World War I veterans, the depression, the new vets, and home-and-bust to come. Good publicity getter. Only one man needed to sit at table: Economical.
4. Call all high prices "Taft prices" or after local inflationist Congressmen.
5. Swamp papers with letters to editor. Show you understand trick amendments.
6. Picket Congressmen's places of business. (One picketed his home; it was found he did not even live in his own district! Publicity wonderful.)
7. Phone Congressmen at home—

I know that Senators will appreciate this.

Phone Congressmen at home and Washington at home, in office, or call cloakroom—get him off the floor. National 3120. Get hundreds to call incessantly.

I have been called up on the phone two or three times. I do not think this practice has been followed in general, but it has been followed to some extent. I have seen every one of these techniques used or heard reports of them. This all comes out of the American Veterans' Committee, 201 Barr Building, Washington, D. C. The letter is signed by Alex Efthim, chairman, AVC's Price Control Fight Committee.

8. Have people at every meeting or assembly write and wire Congressmen from there. Have your people tell and phone others, write and take other action.

9. Hit papers, with paid ads, releases; try to get "public service" time; get spot announcements on air.

10. Put out leaflet (or in other medium): "Senator Blank has his hand in our pockets." Put it in terms of dollars and cents and items.

11. Hang inflationist Congressmen in effigy. Slow-burn them. Good for vets.

I may say I have been burned in effigy two or three places in Ohio in accordance with this advice. That has

happened both in Cincinnati and in Cleveland.

12. Round up disabled vets—parade or display dramatically showing what happens to their benefit pittances when prices rise.

13. Show in same way what happens to cheap-housing program—out the window.

14. Publicly challenge Congressmen—

This is good advice. I think Senator's will appreciate this:

14. Publicly challenge Congressmen to come out to a public questioning with radio hook-up and reporters at meeting on issue, "Did you or did you not vote to smash price control?" Challenge him in every media possible. I challenge mine regularly; he does not even answer, but he is awfully hot in the papers. We always put it this way: The people are frightened and worried. You owe it to them to come out and explain.

The next sentence is underscored and in parentheses:

Then we will nail him to the wall.

So I think the better practice under this technique is not to go.

15. Follow the President's advice and refuse rent increases. Stop evictions. Maximize publicity on this. It is a bitter fight and must be focused. Rents are the most important focus of all.

16. Pressure all local party leaders in same ways—they react directly on Congressmen.

17. Picket price-increasing stores swiftly and dramatically. Everything suggested on this page requires maximum publicity and ingenuity.

18. Ask each person in your organization to write at least one letter per day for the next 3 weeks until a decent bill—straight price control for 1 year—is passed. Let each Congressman know his record is known and watched.

19. Put signs on your people's autos: "Worth \$2,000—Taft price," and so forth. Make life miserable for local Congressmen by this quiet threat of a tag they can never shake. Substitute their names for TAFT, too.

20. Ask governors to establish emergency rent controls, as New York, Massachusetts, etc., has done. Good for publicity, too. Ask mayors to take local actions.

21. Rallies of any kind. Automobile parades, with rough signs.

22. Float in parade or other medium: Veteran in barrel: "Suit \$125."

23. If Congressmen vote against people, let vets, etc., hang them in effigy between high buildings, then slow-burn effigies. Public reaction has been extremely favorable where AVC used this.

Written in haste.

ALEX EFTHIM.

Chairman, AVC's Price Control Fight Committee.

I may say while speaking of the AVC that in Pittsburgh the American Veterans' Committee passed out cards to be sent to Senators on which appears the following:

DEAR SENATOR: I am a consumer and need OPA. Please do not stop fighting until a bill is passed without crippling amendments. I cannot accept less than a sweeping victory for OPA.

This is a general example, Mr. President, of the type of pressure campaign that has been put on. Of course, the threat is always that the Senator's or Representative's political future will be ruined and he will lose votes in the next election if he does not go along.

Meetings have been held by a number of organizations. I do not think I need to detail them. There have been several

public rallies in Cleveland, organized by the Urban League, the Lawyers' Guild, the American Veterans' Committee, the Cleveland Industrial Union Council, and a number of others. I think those meetings are perfectly proper. I have no criticism of the meetings which have been held, but they show where much of the propaganda originates. I believe that in every case the OPA and its employees have played a large part in organizing such meetings.

I have before me another example of CIO propaganda of the usual type, listing Senators who voted for and against the various amendments, those who voted for and against the Taft amendment, and those who voted for the Pepper motion to substitute a straight continuation for 6 months for the bill which was finally passed, and, of course, branding those who voted the other way as enemies of the people and not interested in the welfare of the people.

Here is another one, from the Communist Party of Passaic County, 305 Broadway, Paterson, N. J.:

HERE'S WHAT YOU CAN DO TO SAVE PRICE CONTROL

1. Every individual in every community should write and wire to: Majority Senate Leader BARKLEY; Republican Leader ROBERT A. TAFT; House Majority Leader JOHN W. McCORMACK; House Minority Leader JOSEPH W. MARTIN; also to our own Representative GORDON CANFIELD; and to our own Senators ALBERT W. HAWKES and ALEXANDER SMITH.

3. Call emergency meetings in all communities. Elect committees that will make it their business to uphold price controls, and boycott all who attempt to fleece the people.

4. Join the buyers' strike. Refuse to buy anything except the barest necessities, and in addition,

5. Demand that the national and State government requisition supplies in order to supply the people with their needs. * * *

6. Write and wire Governor Edge to call an emergency session of the State legislature.

The Union for Democratic Action seems to have been very active. The Committee of One Thousand to Defend Price and Rent Control held a big dinner in the Hotel McAlpin, in New York, on March 22, to which they invited Mr. Paul Porter. The meeting was presided over by Mr. Franklin D. Roosevelt, Jr. Mr. Porter used that occasion to spread as widely as possible propaganda for the continuation of price control.

Here is another case of propaganda in the schools. In Indianapolis form letters were distributed to the children of school 84, a grade school, so that they might carry them home to their parents. Whenever the parents happened to be retailers there was a very violent reaction, and that has not been found to be a very successful method of trying to propagandize the parents.

Mayor O'Dwyer called a special meeting on Sunday afternoon, May 12, to save OPA.

The National Emergency Committee for Price Control, with offices at 130 Third Street SE., Washington, D. C., issues a paper very much like the one which I read from the American Veterans' Committee. In its news letter of July 4, 1946, it says:

Wire Senator BARKLEY that you want the Price Control Act extended now until long-term legislation can be worked out.

Encourage continuous pressure on Congress to pass an effective price control bill. Suggestions follow:

1. Neighborhood telegraph booths on sidewalks in front of stores.

2. Chain telephone calls urging letter writing to Congressmen.

2. Telegram-a-day campaign by cooperating groups.

4. Local rallies, parades, press statements, letters to editor urging letters and wires to Congressmen.

5. Resolutions by municipal, county, and State officials urging Congress to enact price-control legislation.

These are merely suggestions. The important thing is to get started in your community.

I do not know what the National Emergency Committee for Price Control is, but I think it is a group of the same kind of fellow-traveler organizations to which I have already referred.

This is another news letter from the same organization. It seems to have moved from 1706 G Street NW., Washington, D. C., where it was on July 1, to 130 Third Street SE.

Mr. President, I return to some of the other propaganda. I referred to the simple piece appealing to people of limited mentality. Here is another one, printed in three colors by the Government Printing Office, entitled "Briefing the Veteran," telling him all about price control and what he should do. It says:

You'll probably find some of your neighbors there doing the price-control job, and probably one will be a veteran himself. They'll be glad to help you. All the time you've been away more than 250,000 of those men and women have been working in the local boards without a cent of pay to insure that your family and everybody else would have a fair share at a fair price.

This poster has been widely distributed. It says:

Veterans, carry on the spirit of victory. Let OPA help you. Offers price advice. Ask OPA before you buy. First see your local price-control board; for further information inquire at OPA Veterans' Relations Adviser.

A special adviser has been provided. This poster is distributed by Ernest Adams, District veterans relations adviser, OPA, 1037 South Broadway, Los Angeles, Calif.

A similar poster is distributed through the courtesy of Superman D. C. Publications. I do not know what Superman D. C. Publications is. This is a smaller edition of the same poster to which I referred.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHITE. Can the Senator tell us from what appropriation funds come for all this publicity by the OPA?

Mr. TAFT. There is a fund of \$2,500,000 in the OPA appropriation for publicity, but so far as I can judge, everyone in the entire organization is engaged in propaganda work, even though his main duties are supposed to be otherwise.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator is not contending, is he, that these letters, sheets, and publications which he is now reading were authorized by the OPA, or sent out at its instigation?

Mr. TAFT. No. I distinguished between them. I was somewhat confused by the question of the Senator from California [Mr. KNOWLAND]. He dealt with a Communist Party organization, so I covered all the material dealing with what might be called "fellow-traveler" organizations, which I think may be stimulated by the OPA. Then I returned to the direct propaganda. The veterans' propaganda to which I referred is direct OPA, Government-paid propaganda.

Mr. BARKLEY. Paid in what way?

Mr. TAFT. It is printed by the Government Printing Office, and paid for by the OPA, as I understand.

Mr. BARKLEY. I do not understand that the OPA paid the bills of any private organization.

Mr. TAFT. Oh, no. This material is distributed through the courtesy of Superman D. C. Publications. I do not know what that is, but, as I understand, the printing is done by the Government Printing Office. It has the OPA stamp on it—"Ernest Adams, district veterans relations adviser, OPA." He is certainly an OPA employee.

Mr. BARKLEY. Where is he located?

Mr. TAFT. 1037 South Broadway, Los Angeles, Calif. I shall be glad to have the Senator look at some of this material.

Mr. BARKLEY. I am assuming that Senators are able to make up their own minds about the controversial questions involved in connection with this legislation, regardless of any propaganda on either side. I do not quite see the necessity for consuming all the time which the Senator is taking to read these documents, which evidently have not had much influence on anyone.

Mr. TAFT. I think they bear directly on the question of public opinion. Certainly we want to do what the people want us to do; and if we are faced by organized propaganda, it seems to me that we ought to know all about it. We ought to know where it comes from.

Mr. BARKLEY. We ought to know all about it on both sides.

Mr. TAFT. That is correct.

Mr. BARKLEY. There was a full-page advertisement in my home city paper, taken from the American Lumberman, in which everyone in my home city was urged to write to me on the other side of the question. For months we have had full-page advertisements of the National Association of Manufacturers. It had a perfect right to pay for them, but they were intended to influence Congress. So propaganda is not a one-sided matter. It is not a one-way street.

I was interested in a letter read by the Senator from California [Mr. KNOWLAND], in which I was associated with certain other Members of the Senate. I do not know whether I should take more offense at the authorship of the letter

or the company in which I was placed. [Laughter.]

At any rate, that would not influence me. Evidently it has not influenced the Senator from California, and in my judgment would not influence the Senator from Ohio, or any other Senator.

Many of these people are not experts on legislative matters. They do not have the money to buy full-page advertisements in all the newspapers of the United States which have a wide circulation. They may be inexperienced as to how to influence Congress. But whether they are in favor of the pending legislation or against it, and whether they use skillful technique or whether it is crude—as some of these examples evidently are—the objective is the same, namely, to influence Members of Congress.

Mr. TAFT. Of course, these organizations have a complete right to do what they wish. The nature of the propaganda depends somewhat upon the character of the organization. So far as I know, the appeal on the other side has been to logic and reason, more than to prejudice.

Mr. BARKLEY. Interpretations of logic and reason may vary.

Mr. TAFT. That is correct; but I believe that the examples which I have read show what I call the Communist technique in a number of these organizations. I am referring to the material issued by private organizations, and the technique which refuses to admit that anyone on the other side can possibly be right, which says that anyone who is on the other side is an oppressor of the people, and determined to make life hard for everyone, to be greedy, and to grab all the profits in sight.

Mr. BARKLEY. Evidently the Senator from Ohio is reading this for the purpose of creating the impression that only the Communists or some fellow-traveler organizations or some piqued outfit is in favor of the OPA and its continuation. I do not know whether the Senator intends to create that impression; but inasmuch as he is only reading from letters or circulars issued by such organizations, that would seem to be the logical conclusion.

Mr. TAFT. Mr. President, I wish to cover the whole situation, but my main point is that Government money is being used to propagandize Congress, in violation of a law enacted by Congress. That law provides that Government money shall not be used to appeal to Members of Congress, to try to influence them in regard to legislation pending before Congress. Particularly it was intended that the departments and agencies of Government should not use Government money in an attempt to perpetuate themselves in office and to attempt to affect the action of Congress on issues in respect to which such agencies should be doing their jobs, and not be concerned primarily with a fight to continue themselves in existence. That is a violation of the law.

The propaganda which I have read is skillfully done, and it is paid for by the Government. But its real effect is to bring pressure to bear on Congress, in violation of one of the laws of the United

States. If the Department of Justice were on the job, it would indict Mr. Porter and Mr. Bowles for what they are doing in trying to influence the Congress.

Mr. BARKLEY. O Mr. President, of course every time Mr. Porter's name is mentioned, the Senator from Ohio hits the ceiling as if an atomic bomb were under him. [Laughter.]

As for the American Veterans' Committee; it is an honorable organization of World War veterans, so far as I know. It came before the congressional committee and made a statement, and it had as much right to organize as had any other group of veterans. It has as much right to appear before the committees of Congress and to make its views known as has any other group of American citizens. In view of all the propaganda which has been disseminated on both sides of the question by all kinds of organizations, it seems to me that it is unfair to pick out one veterans' organization and denounce it because it has sought to make its impression upon the Members of the Congress in regard to a controversial piece of legislation.

Mr. TAFT. Mr. President, does the Senator from Kentucky know who Mr. Alex Efthim is, who signs the letter as chairman of the committee?

Mr. BARKLEY. I do not know who he is. I assume he is an American citizen.

Mr. TAFT. If the Senator from Kentucky desires to defend the type of propaganda that is promulgated by the American Veterans' Committee, that is his privilege.

Mr. BARKLEY. I have no desire to defend any particular organization, but I do say that the American Veterans' Committee has a right to present its views to the American people.

Mr. TAFT. I think it should do so respectfully and with a proper appeal to reason, and not by attempting to hang Senators in effigy.

Mr. BARKLEY. Mr. President, when the Senator from Ohio speaks on appeal to reason, I am reminded that that was the title, as I recall, of one of the publications of the Communist Party. Does the Senator from Ohio adopt that as his slogan?

Mr. TAFT. Yes, Mr. President, I am always ready to adopt the slogan "appeal to reason."

Mr. WHITE. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Ohio yield to the Senator from Maine?

Mr. TAFT. I yield.

Mr. WHITE. I asked the question whether public money was being used in the effort to propagandize because I think it is not only a right but an obligation of the Senate to make inquiry and to advise itself whether money appropriated by the Congress is being used for the purpose of propagandizing or, to use a better phrase, for the purpose of influencing the Congress of the United States with respect to any matter.

Mr. TAFT. Mr. President, I have dealt with some of the direct Government propaganda.

I hold in my hand a pamphlet appealing to farmers, in behalf of the OPA. It was issued by the Office of Price Administration, and it is marked "Price Control Board, Cleveland, Ohio." It is addressed to Mr. Landphair, 17025 Lorain Avenue, Cleveland, Ohio, under the Government frank. The person who addressed the pamphlet to Mr. Landphair did not even know his first name. The pamphlet was not sent to him in answer to a letter from him. The pamphlet apparently was sent to all farmers, on certain rural routes in the outer sections of Cleveland which are in a farm area. I do not see any justification for the OPA to propagandize farmers on the subject of the OPA, and certainly there is no justification for the OPA to distribute broadcast pamphlets which are mainly for the purpose of advocating the continuation of the OPA in office.

Let me also say that a special OPA pamphlet was addressed to labor. I seem not to have a copy of it on my desk at this time. The heading was "Organized labor has a stake in holding down the cost of living," and the pamphlet was published by the Labor Office of the Price Administrator, Washington. The pamphlet was about 5 inches by 7 inches in size, and apparently it was distributed in large quantities to labor unions. The Meat Cutters Union in Indianapolis, which was conducting a strike, proceeded to print on the back of a number of copies of the pamphlets, but using its own printing, "The following market stands are unfair to Meat Cutters Union 167." Then they listed about 10 market stands, and that statement was printed on the pamphlet over the place where it contained the statement "United States Government Printing Office, 1946." Of course, the union had no right to do that. On the other hand, the pamphlet was passed out to all the picket lines. I do not know why the OPA should provide unions with large quantities of pamphlets printed by the Government in behalf of OPA, so that the pamphlets would be available to the union, with the result that in this case the union has printed its own propaganda on the pamphlet. But that is another type of propaganda which is being used.

I now hold in my hand a pamphlet printed by the Government Printing Office, and bearing the caption "Double trouble. What to do about inflation and deflation." It is another one of the picture-book series.

I also have before me another pamphlet printed by the Government Printing Office. It is entitled "It Is Amazing." It likewise comes from the Office of Price Administration, and is also of the picture-book type.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. I suppose the Senator from Ohio is raising the question of the propriety of having a Federal agency spend public money for such a purpose. Is that what the Senator from Ohio has in mind?

Mr. TAFT. My point is that the OPA probably has put on the greatest propaganda campaign that any government

agency has ever put on, and that while most of it is directed toward "Help us enforce the law" or "Hold your grocer responsible," or "Check up on your grocer's prices," and all that sort of thing, nevertheless the inevitable effect has been to build up the OPA as something absolutely necessary to prevent inflation, and thereby to propagandize for the continuation of price control. I have cited some cases of propaganda which I think violate the law. But I think the entire effect of all the propaganda is a clear violation of the law, even though the suggestion "Write to your Senator" is not made.

Mr. PEPPER. Mr. President, the Senator from Ohio complains about having Government money spent for that purpose, does he?

Mr. TAFT. The law says that public money shall not be used to influence legislation.

Mr. PEPPER. Mr. President, I wish to know how the Senator from Ohio distinguishes between having the OPA use Government money to propagandize and having the National Association of Manufacturers run full-page advertisements in many newspapers in the United States. I happen to have one of them before me. It appeared in a newspaper called the Chicago Tribune, and, according to its masthead, the newspaper is published in Chicago. This issue of the newspaper is dated July 7, 1946. The advertisement, which takes up the full page, reads as follows:

THE FUTURE WITH CONFIDENCE

The members of the National Association of Manufacturers have no intention of rocking the inflation boat—now or at any other time.

If OPA is permanently discontinued, the production of goods will mount rapidly and, through free competition, prices will quickly adjust themselves to levels that consumers are willing to pay.

The great majority of American manufacturers are determined to produce as much as they can, as fast as they can, to sell at the lowest possible prices.

American manufacturers are also determined that such price increases as may be necessary will be only those fully justified by increases in wage and other production costs.

Then, as production gets rolling again, supply will catch up with demand * * * prices will be fair and reasonable to all * * * quality will be improved * * * black markets will disappear * * * and America will enter the period of prosperity that everyone has been hoping for.

NATIONAL ASSOCIATION OF MANUFACTURERS.

Mr. President, I wish to ask the Senator from Ohio whether he agrees with me that probably if we examine the books of the National Association of Manufacturers or of the enterprises which put up the money to pay for the advertisement I have just read, we shall find that the expense was a deductible business expense which finally came out of the pockets of the taxpayers of the United States as an item which could properly be charged as a deductible business expense for tax purposes.

Mr. MILLIKIN. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield to the Senator from Colorado.

Mr. MILLIKIN. I wish to join in the criticism of the distinguished Senator from Florida against the National Association of Manufacturers, but I wish to approach the matter from a different angle. Just think of the situation, Mr. President. The National Association of Manufacturers represents probably 70 percent of the volume of manufacturing in the United States. Yet that organization, with all of that presumptive power, with all of that presumptive collecting power, spent only a little more than \$300,000 in running a few full-page newspaper advertisements. My criticism is that the organization did not spend \$3,000,000. I think they have to let the moths out of their pocketbooks. I think that when a business question becomes a political question, these business organizations must get busy and take the rubber bands off of the old pocketbooks and run a propaganda campaign that will equal that of their opponents. Think of that organization paying a little more than \$300,000 to conduct a campaign of that kind.

Mr. PEPPER. Yes, and charging it to business expense, deducting it from their income taxes, and making the people pay for it.

Mr. MILLIKIN. That is better than a direct touch on the Treasury, which is against the law. What they did was not against the law.

Mr. PEPPER. Yes, Mr. President, and all over this country business enterprises—the National Manufacturers' Association has been the leader in it—have been running full-page advertisements and deducting the cost of them as a business expense in their income taxes, and nobody ever seems to think that that is wrong.

Mr. MILLIKIN. Let us assume that they have followed the process which the Senator has mentioned. There is no law against it, and there is a criminal statute against what the OPA has been doing. If the Senator does not like that process, let him introduce a bill making it unlawful. Perhaps he can have it passed.

Mr. PEPPER. Oh, no; not in the Senate.

Mr. MILLIKIN. The ultimate offense of the National Manufacturers Association lies in the parsimonious scope of its advertising and not in its extensiveness.

Mr. PEPPER. Mr. President, in the little more than \$300,000 to which the Senator has referred there is not included all the padding of expense accounts for offices, executives, and representatives, nor any other expenditures which were involved in carrying on propaganda, nor the editorials which were carried by newspapers in furthering the interests of the organization.

Mr. MILLIKIN. Mr. President, will the Senator from Ohio yield further to me?

Mr. TAFT. I yield.

Mr. MILLIKIN. I say to the Senator from Florida that the people to whom he refers must live just as must all these side-show barkers in the OPA. [Laughter.]

Mr. TAFT. Mr. President, I think the expenditures of the National Manufac-

turers Association are on an exact par with the expenditures of the CIO and many other organizations. I have not criticized their spending of money. I do not entirely agree with the Senator from Colorado, but if I wanted a propaganda campaign put on I would rather have the job which is now being done by the CIO and their associate organizations than the job which is being done by the National Manufacturers Association. Both organizations are spending a great deal of money, and I am sorry to say that the technique of propaganda is much better known by the CIO than it is by the National Manufacturers Association.

But, so far as the spending of money is concerned, those organizations are entitled to spend money if they want to spend it. I have not criticized the CIO for spending money. What I have criticized was the expenditure of money by the Government. I do not believe the Government should be allowed to spend money for or against legislation. Let the money-spending be left to the proponents and opponents of proposed legislation and not by the Government.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. An ex parte statement by the Senator from Ohio, or any other Senator, would not convict the OPA or any other department of the Government of violating the law. If the Senator from Ohio wishes to be fair to the OPA, I would invite him to include in his speech at this point the statute which he says the OPA has violated, and the publications which they have used in violating the statute. Then we may determine for ourselves, not on the mere word of the Senator from Ohio, who is a great lawyer, I concede, whether there has been a violation of the law.

What the Senator from Ohio has said may also be said with reference to the Department of Agriculture and their farm publications through which they make reports to the American people. It might be said by implication that what they are trying to do is to influence the Congress or public opinion. It might also be said that the Federal Reserve Board, because they issue a bulletin at Government expense, are trying to influence public opinion by making frequent reports to the public in regard to their operations.

Mr. TAFT. Mr. President, that statement is not true because the Federal Reserve Board is not particularly interested in proposed legislation. The Federal Reserve Board has not sent out propaganda of the kind which has been sent out by the OPA. The OPA has been interested in perpetuating itself in office.

Mr. BARKLEY. The Federal Reserve Board is frequently interested in proposed legislation dealing with the banking and currency system of the Government. The Reconstruction Finance Corporation has frequently issued publications of various kinds. It is interested in various forms of legislative measures which come before the committee, and once a year it comes before the committee and asks for legislation. Many other Government departments are in the same

category, and they all issue reports which, it might be said, are of a propaganda nature, but they are not. They are reports to the public, and give to the public information with regard to various subjects. If, incidentally, they influence someone's opinion, what of it?

Mr. TAFT. Mr. President, I have sent for the law to which I have referred, which I shall read. I thought I had a copy of it before me, but I have not. However, some of the organizations to which I have referred do not propagandize. I criticized in one other case. The State Department and the Treasury Department put out some propaganda in connection with Bretton Woods which was somewhat comparable in purpose to the propaganda put out by the OPA. I said before, and I repeat, that it violates the law, and I think the OPA is violating the law. They are careful not to say expressly, if they can help it, to the people throughout the country "Write your Representatives and Senators" as some of the private organizations do. However, the general effect of all such propaganda is to influence Congress. That is its purpose, and I do not believe that any Member of the Senate has any doubt about it.

Mr. BARKLEY. The State Department and the Treasury Department were responsible for the organization of the Bretton Woods set-up. They cooperated in organizing the United Nations. They issued pamphlets for the information of the public. It was the duty of the Treasury Department and the State Department to inform the American people what was involved in the Bretton Woods arrangement, the International Bank, the International Fund, and the United Nations Organization, as well as all other public services which were rendered or intended to be rendered in which the State Department or the Treasury Department had any interest. It was not the duty of those departments of the Government of the United States to put a seal on their lips and make their intellect completely dumb so the American people could never obtain any information with reference to what was being done, or the reason for doing it. Incidentally, those activities influenced public opinion. I do not know of any way to have avoided it.

Mr. TAFT. Mr. President, I wholly disagree with the Senator. The rule is that the Government departments shall not use Government funds to propagandize in connection with measures which are pending before the Congress. It is a good rule. Hundreds of millions of dollars used by executive departments for propaganda purposes could produce results in Congress to a far greater extent than could be produced by the spending of money by any private organization. That statement is true even when the pressure advertising or propaganda which the CIO has conducted is taken into consideration. If the executive departments of the Government are allowed to spend millions of dollars to create public opinion for the purpose of causing Congress to do their will, I say that the Government is faced with a serious menace.

Mr. BARKLEY. Mr. President, from its very inception four years ago the

OPA has from time to time issued reports and furnished information, not only while legislation was pending but immediately upon the creation of OPA. Some of the publications complained of by the Senator from Ohio were issued long before any bill extending the OPA was introduced in either House of Congress. Those publications were issued for the information of the American people and long before any resolution was introduced in either House of Congress extending the OPA for another year.

Mr. TAFT. Mr. President, at different times ever since it was organized, legislation has been pending to continue the OPA.

There was one measure for that purpose in 1944, one in 1945, and one in 1946.

Mr. BARKLEY. They were not pending all the time. There were several months each year in which they were not pending.

Mr. TAFT. Yes; several months.

Mr. BARKLEY. Each year.

Mr. TAFT. The OPA is much more farsighted than only several months ahead of time.

Mr. BARKLEY. I am glad the Senator admits that they are farsighted.

Mr. MILLIKIN. Mr. President, in his veto message the President mentioned approximately five separate times during the last couple of years when he asked for a continuance of the OPA.

Mr. TAFT. Mr. President, look at the pamphlet which I hold up. It shows the fork in the road. On one side the pamphlet shows that the United States is approaching the fork. It refers to uncontrolled prices leading to disaster. On the other side there is reference to steady income and to steady markets. What is the purpose of all this? It relates to what happened after World War I. Incidentally, the chart on page 4 states that 106,000 firms failed during the period of 1920 to the end of 1921. As a matter of fact, the figure which Mr. Bowles used would indicate that industrial and commercial failures for the years 1922, 1923, 1924, 1925, and 1926 totaled 106,000, but they were charged to the period 1920-1921. As a matter of fact, in 1920 there were 8,800 failures. In 1921 the number was much greater, or about 19,000. In other words, he used a figure much larger than the figure which he should have used. What was the purpose of telling what happened during World War I and during the period following the war?

During World War I controls were not in effect. They were imposed following the war. So we went along. Why do you suppose, Mr. President, Mr. Bowles put out this propaganda? It is to prove that the OPA should be continued now and not abandoned. What can be the purpose of a pamphlet like this except to advocate continuation of the OPA?

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator from Ohio and I remember what happened after the last war, but there are millions of people in this country who are now adult citizens and voters who have been born since the last war. Their memories cannot go back, as can my memory and

the memory of the Senator from Ohio, to the time of the last war. Are they not entitled to information as to what happened after the last war as a result of no controls?

Mr. TAFT. They are not entitled to information at Government expense dealing with a subject before Congress. It is up to the advocates who want the law to produce that information.

Mr. BARKLEY. Legislation is not altogether a one-way street; it is not a private enterprise. Legislation is something in which the American people are involved and concerned about with respect to their Government, and their Government, which is the only spokesman of the American people, has the right to give the people information to which they are entitled in order that they may make up their own minds as to whether legislation already in existence or in prospect is wise or foolish.

Mr. TAFT. Mr. President, I call attention to this pamphlet, and also to another one gotten up in quite an expensive form, which is an answer to the NRDGA exhibit.

Mr. PEPPER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I should like to conclude, but I yield to the Senator.

Mr. PEPPER. I wish to ask the Senator from Ohio if the pamphlet he has been identifying told the people that after the last war large corporations did not get the benefit of a carry-forward-carry-back tax plan such as has been offered them after this war, by which they can draw billions of dollars from the Federal Treasury?

Mr. TAFT. I am sorry; I missed the Senator's question. Will he repeat it?

Mr. PEPPER. What I intended to ask was whether the pamphlet telling the people what happened after the last war mentioned that after the last war we did not do what we did after this war in a tax law, that is, enact the carry-forward, carry-back plan, which makes it possible for the large corporations to draw back billions of dollars from the Federal Treasury which they paid in taxes on excess profits during the war period.

Mr. TAFT. That is a perfectly proper subject of information. I never thought much of the carry-back provision, although I think I voted for it. It was proposed, however, by the administration. I thought there should be a special reserve for postwar reconversion, because profits are not real profits if in large part they have to be spent in order to get back into production. I thought there should be a special reserve. But Mr. Randolph Paul, representing the administration, advised this plan of the carry-back provision, and it was advocated by the administration. I do not think I would repeat it.

The law to which I referred is the act of July 11, 1919, and reads as follows:

No part of the money appropriated by any act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appro-

priation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation;

I do not know how we could write a more express law. It seems to be perfectly clear. It continues:

but this shall not prevent officers and employees of the United States from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

Any officer or employee of the United States who, after notice and hearing by the superior officer vested with the power of removing him, is found to have violated or attempted to violate this section, shall be removed by such superior officer from office or employment. Any officer or employee of the United States who violates or attempts to violate this section shall also be guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not more than \$500 or by imprisonment for not more than 1 year, or both.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Is it not a fact that there is a law prohibiting corporations from participating in political campaigns, trying to influence people in elections?

Mr. TAFT. Yes.

Mr. PEPPER. Would not the same logic the able Senator from Ohio has used against the information which has been disseminated by the Office of Price Administration, calling that unlawful as being designed to influence Members of Congress in their votes, prohibit a corporation which paid for this National Association of Manufacturers' advertisement, from paying for it, on the ground that it was intended to influence a political result?

Mr. TAFT. No; I would not say so, because the statute is rather limited. It relates to political contributions. It has been held, I think, not to apply to primaries, if I am correct; I am not certain about that. Certainly in interpretation it has been limited strictly to political campaigns.

Let me say that it is not very much observed, even so, because I had an experience in the last campaign which demonstrated that. The Senator will recall that that statute was amended by the Smith-Connally Act to provide that no corporation or labor union should make any contribution to a political campaign. In Ohio the CIO published a pamphlet attacking me and supporting my opponent, and I took the matter up with the committee here. They thought that that was a violation of the law. They called on the Attorney General to bring a test suit. He said, "Well, that does not apply, because this says 'contribution.'" That means they could not contribute to my opponent's campaign, but they could use their own labor union funds, according to the Attorney General—although I think he is wrong—to circulate pamphlets in a political campaign, because that was not a contribution, it was a spending of their own money. If that interpretation is applied to corporations also, then any corporation is perfectly free under the law to advertise in any

political campaign for any political candidate they favor, if they spend their own money and do not contribute it to the political campaign. I do not think that is the law. In my opinion, such payments are in violation of the law, but I do think the law relates solely to political campaigns and does not relate to legislation before Congress.

Let me say further that there is a gentleman named Spanel, of the International Latex Corp., who publishes Henry Wallace's sayings, and they appear in a column every few days, presumably partly at Government expense, as the Senator has pointed out, because of the tax saving involved. I wrote to the Department to ascertain whether they regarded that as not legitimate because it was an advertising expense. I received a letter in reply saying that so far as the Latex Corp. was concerned, it was legitimate advertising, and they were not going to undertake anything to prevent the deduction of that item of expense from taxes. That is the present state of the law, apparently.

Mr. PEPPER. So far as I know, the Latex Corp. is the only business concern that ever publishes a liberal advertisement, and the Senator does not mean to imply, does he, that the Department of Justice said it was all right for the expense of that advertisement to be deducted and these others not?

Mr. TAFT. No. They take the position that corporation advertising, if it has the faintest touch of institutional advertising, is deductible. I rather question that. As a matter of fact, what I was interested in was the Bretton Woods matter. They were advertising favoring the passing of the Bretton Woods measure through Congress. I was curious to find out about it, because it seemed to me we should in some way prevent the deduction of any corporation expenditure of any kind that is not really advertising for the corporation.

Mr. PEPPER. I am glad to hear the able Senator from Ohio say that, and I wish we could pass legislation that would prevent the vicious practice of colossal sums of money being spent for propaganda by corporations and deducting it as a business expense from their income-tax returns.

I merely wish to ask the Senator one more question. He has pointed out, as an able lawyer, that the National Association of Manufacturers' advertisement, although it might be propaganda, was not in violation of the law. I am sure the Senator with equal clarity and fairness would say that for the OPA to send out information from time to time giving the facts as they see them for public use, is different from a case coming under the statute he read, in which, of course, it is made wrong and illegal for the OPA or any other agency to send out a lot of telegrams and to make a lot of telephone calls, when a bill is pending in Congress, for the purpose of influencing action on it.

Mr. TAFT. It seems to me that the extensive pamphleteering to which I have referred is a violation at least of the spirit of the law. Whether the exact language meets it or not, I do not know;

but the Senator will notice the statute is pretty broad. It says:

Directly or indirectly to pay for any personal service * * * intended or designed to influence in any manner a Member of Congress to favor or oppose, by vote or otherwise, any legislation.

Mr. McMAHON. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Connecticut.

Mr. McMAHON. I have not heard all the Senators remarks, but I gather from what I have heard that he has been fairly active in this matter, and has written numerous letters of inquiry to the Treasury Department and to other places in order to get information.

Mr. TAFT. I wrote them to ascertain what the law was as to advertising like that of the International Latex Corp., dealing with legislation. I think that is the only letter I have written asking for information.

Mr. McMAHON. I know the Senator is a very eminent lawyer. I was wondering whether he had directed an inquiry to the Comptroller General of the United States to find out what his interpretation of the law was, whether the Senator had put this problem up to him. Of course, the Senator knows that there is a post audit by the Comptroller General—at least I assume there is—over the OPA, just as there is over all other Government agencies. The Comptroller General has to pass on these expenditures. I was wondering if the Senator had taken it up with him.

Mr. TAFT. No; I have not taken it up with the Comptroller General. I have not found that that is a very successful way of preventing anything that is illegal. The proper procedure would be for the Attorney General to file suit.

Mr. McMAHON. I have always found the Comptroller General is extremely technical about these matters, and makes very close interpretations of the law, and it would seem to me that he was the natural person with whom to take up such a matter.

Mr. BARKLEY. Mr. President, I do not want to prolong this discussion, but I should like merely to inject a brief statement. The law which the Senator has read is a wholesome law. I do not know when it was enacted, but if it was enacted in the last 30 years I probably voted for it.

Mr. TAFT. It was enacted in 1919.

Mr. BARKLEY. Yes. That was during my tenure here, and in all likelihood I voted for that law. I would vote for it again. It is a wholesome statute, and I would not by indirection advocate its violation by any Federal agency. But I feel that it is the duty of agencies of the Government to keep the people informed about what they are doing. The only way the people have of knowing what is going on in the Government is for the agencies to report to the people. It may be that the report made by the OPA or the RFC or the Commodity Credit Corporation or the Farm Security Agency or any other agency set up by the Government to render a service could be interpreted by some strained construction to have been made for the purpose of influencing public opinion. It seems to

me that the evidence would have to be clear that such a publication was intended or designed premeditatively to influence the vote of Members of Congress. A report to the people advising them as to what is transpiring in the agency, how the agency is undertaking to perform its duties is not only not a violation of the law, but is a commendable activity on the part of the agency which seeks to inform the people as to its activities and certainly it ought not to be regarded as a violation of law.

Mr. TAFT. Mr. President, I do not think there is any doubt that a pamphlet such as the one to which I have referred is intended to affect legislation. I do not think that anyone who looks at this procedure from all four sides and weighs it in his mind can have any doubt that the OPA is circulating all over the United States pamphlets and literature designed to bring influence and pressure to bear on Congress to continue OPA. Mr. Bowles and Mr. Porter are urging that in so many words today. They are the big force in the effort today to continue price control.

There is one other thing which is legal. They appear before committees of Congress and give their testimony, which is of course within the law, and they then have their testimony printed in large type so children and simple folks can read it.

Mr. BARKLEY. That is not the reason why the Senator from Ohio came into the possession of a copy, I am sure. [Laughter.]

Mr. TAFT. No. They issued a pamphlet of this sort, which is an expensive kind of thing to publish. The pamphlet is called Extension of price control after June 30, 1946. Office of Price Administration. It is printed by the Government with tables in large type, and has been circulated to a more limited group. They figure that does not violate the law because the law says they can appear before a congressional committee and advocate the legislation themselves. But when they have done that, they immediately get out a pamphlet and circulate it throughout the United States. It contains various kinds of posters to be placed in windows, such as, "Rent and price control," "Protect tenants," "Do not pay over ceiling rents," "Report overcharges," "There is a ceiling on your rent."

Then I have here a rather interesting radio fact sheet gotten out for all radio commentators. It is distributed by the Advertising Council, and "the material in this fact sheet," it says, "has been secured from, approved by, and distributed at the request of the Office of Price Administration." It provides the arguments which are used by the various radio commentators in urging the continuation of price control. This particular one starts off: "Inflationary pressures are still great." Some headings are: "Stabilization or inflation?" "Housing and rent." "Clothing." Under that heading it says: "Cotton textile production is still 2,000,000 yards short of the 1942 peak."

Mr. President, I should think it always will be short of the 1942 peak, because we were then making more uniforms and more varieties of soldiers' clothing than at any other time in the history of the United States.

Here is a pamphlet called Housing—boom or bust? These are distributed regularly to all radio commentators so that they can know what the Price Administration is saying and make up their radio speeches.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. Who distributes those radio programs?

Mr. TAFT. This pamphlet is distributed by the Advertising Council, which is a private body. It says the information has been "secured from, approved by, and distributed at the request of the Office of Price Administration."

Mr. REVERCOMB. Are they paid for by Government funds?

Mr. TAFT. Certainly they are prepared by the OPA Public Relations Department. The pamphlet says:

This fact sheet is to be used only in the preparation of a message for the specific program and date mentioned in the assignment letter.

Again another has this heading, "Johnny comes marching home." It deals with veterans' housing. Senators can only take my word for it, but the general effect is to show that OPA is absolutely essential and must be continued.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Indiana.

Mr. WILLIS. Granting that it is the duty of Government agencies to give out information to the public, it would seem to be a further requirement that they should give the argument on the other side also in order that the public might be properly informed. Does the Senator find in all this literature a statement of any of the arguments made against OPA?

Mr. TAFT. No. The argument contained in this literature is entirely one-sided. I stated some of the facts which are completely misrepresented, which would be questioned by anyone on the other side. That is why I say it is propaganda and not information.

Mr. WILLIS. In respect to meat, does the Senator find anywhere in this literature information to the effect that from 75 to 80 percent of the meat which was being sold before OPA ceased to exist was sold on the black market?

Mr. TAFT. No. There is no such suggestion. They urge the consumers not to patronize the black market; that is all.

Mr. WILLIS. So it is wholly a one-sided propaganda?

Mr. TAFT. Yes.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. Does the Senator know of any instance in which a United States Senator ever made a speech against his own reelection?

Mr. TAFT. The Senator from Kentucky states the case very well. That is exactly the point I have been trying to make. The OPA is engaged in a campaign for its own reelection. It is using Government funds for that purpose. Unfortunately, United States Senators are not able to do so.

Mr. BARKLEY. Of course, Senators know that it is not the duty or the province of any agency of the Government to do otherwise than to explain its attitude, its policies, and its performances to the people. Certainly it is not supposed to engage in an argument with itself, within its own organization, as to whether it is doing a good job or is not doing a good job. Its duty is to inform the American people truthfully as to what it is doing. The Senator from Indiana has indicated that it ought to present the other side to the American people, the side of those who do not want an OPA, those who do not want any control, those who do not like anything that OPA has done. That, it seems to me, is asking more than any human agency should be expected to do.

Mr. TAFT. Mr. President, I think Mr. Bowles and Mr. Porter are justified in telling the people in these speeches—and they should do so fairly—why they think the Office of Price Administration ought to be continued. I think the Price Administration is perfectly justified if a letter is written to them to give the information that is asked. I think that when an organization asks for information OPA should give it. I think they can appear before congressional committees and give the reason why OPA should be continued. But it is not up to the Office of Price Administration to determine the policy of Congress. The Office of Price Administration goes beyond the proprieties and beyond the law when it builds up throughout the United States a vast organization whose primary purpose apparently is to influence public opinion on the basis of completely one-sided arguments in favor of the continuation of this particular department and the job in which they are interested. I feel very strongly that if this kind of thing goes on it, as much as anything I know of, can destroy democratic and representative government in the United States, and certainly it can reduce Congress to such a level that congressional power will no longer exist.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MILLIKIN. Is not the distinguished Senator from Ohio of the opinion that the President now takes his legislative advice from OPA rather than from the Congress?

Mr. TAFT. Yes. The President evidently thinks that the public opinion created by OPA is strong enough to justify him to take their advice as against that of the representatives of the people.

Mr. MILLIKIN. That is the ultimate of the evil described in the Senator's argument, and it is already in existence. It is the very thing the Senator has been talking about.

Mr. TAFT. Yes.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MURDOCK. The Senator from Ohio very kindly yielded to me earlier today for the purpose of discussing a reference he had made to the gasoline situation. I was very much interested in the statement made by the Senator. He suggested that if oil and gasoline

were decontrolled the price of gasoline might increase by 2 cents a gallon. Reference to 2 cents a gallon does not afford much of an idea of what it would cost the people of the United States. I have asked for figures showing what the total cost would be if the price of gasoline were increased 2 cents a gallon. The figures furnished me are these: The over-all consumption of gasoline in the United States daily is 92,400,000 gallons. An increase of 2 cents a gallon would cost the people of the United States \$1,848,000 a day, \$55,440,000 a month, or \$665,280,000 a year.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6428) making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes.

APPROPRIATIONS FOR COAST GUARD, TREASURY DEPARTMENT, 1947—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6428) making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$74,010,000"; and the Senate agree to the same.

KENNETH MCKELLAR,
CARL HAYDEN,
THEODORE FRANCIS GREEN,
CLYDE M. REED,
CHAN GURNEY,

Managers on the Part of the Senate.

EMMET O'NEAL,
CLARENCE CANNON,
THOMAS D'ALESSANDRO, Jr.,
HERMAN P. KOPPLEMANN,
JOHN TABER,
FRANK B. KEEFE,

Managers on the Part of the House.

The report was agreed to.

STRATEGIC AND CRITICAL MATERIALS FOR NATIONAL DEFENSE—CONFERENCE REPORT

Mr. THOMAS of Utah submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 752) to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as

follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the Act of June 7, 1939 (53 Stat. 811), as amended, is hereby amended to read as follows:

"That the natural resources of the United States in certain strategic and critical materials being deficient or insufficiently developed to supply the industrial, military, and naval needs of the country for common defense, it is the policy of the Congress and the purpose and intent of this Act to provide for the acquisition and retention of stocks of these materials and to encourage the conservation and development of sources of these materials within the United States, and thereby decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of these materials in times of national emergency.

"Sec. 2. (a) To effectuate the policy set forth in section 1 hereof the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior, acting jointly through the agency of the Army and Navy Munitions Board, are hereby authorized and directed to determine, from time to time, which materials are strategic and critical under the provisions of this Act and to determine, from time to time, the quality and quantities of such materials which shall be stock-piled under the provisions of this Act. In determining the materials which are strategic and critical and the quality and quantities of same to be acquired the Secretaries of State, Treasury, Agriculture, and Commerce shall each designate representatives to cooperate with the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior in carrying out the provisions of this Act.

"(b) To the fullest extent practicable the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior, acting jointly, shall appoint industry advisory committees selected from the industries concerned with the materials to be stock-piled. It shall be the general function of the industry advisory committees to advise with the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior and with any agencies through which they may exercise any of their functions under this Act with respect to the purchase, sale, care, and handling of such materials. Members of the industry advisory committees shall receive a per diem allowance of not to exceed \$10 for each day spent at conferences held upon the call of the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior, plus necessary traveling and other expenses while so engaged.

"Sec. 3. The Secretary of War and the Secretary of the Navy shall direct the Secretary of the Treasury, through the medium of the Procurement Division of his Department, to—

"(a) make purchases of strategic and critical materials with due regard to the objectives set forth in section 1 of this Act and pursuant to the determinations as provided in section 2 hereof, which purchases (1) shall be made, so far as is practicable, from supplies of materials in excess of the current industrial demand and (2) shall be made in accordance with title III of the Act of March 3, 1933 (47 Stat. 1520), but may be made without regard to section 3709 of the Revised Statutes. A reasonable time (not to exceed one year) shall be allowed for production and delivery from domestic sources and in the case of any such material available in the United States but which has not been developed commercially, the Secretary of War and the Secretary of the Navy may, if they find that the production of such material is economically feasible, direct the purchase of such material without requiring the vendor to give bond;

"(b) provide for the storage, security, and maintenance of strategic and critical mate-

rials for stock-piling purposes on military and naval reservations or other locations, approved by the Secretary of War and the Secretary of the Navy;

"(c) provide through normal commercial channels for the refining or processing of any materials acquired or transferred under this Act when the Secretary of War and the Secretary of the Navy deem such action necessary to convert such materials into a form best suitable for stock piling, and such materials may be refined, processed, or otherwise benefited either before or after their transfer from the owning agency;

"(d) provide for the rotation of any strategic and critical materials constituting a part of the stock pile where necessary to prevent deterioration by replacement of acquired stocks with equivalent quantities of substantially the same material with the approval of the Secretary of War and the Secretary of the Navy;

"(e) dispose of any materials held pursuant to this act which are no longer needed because of any revised determination made pursuant to section 2 of this Act, as hereinafter provided. No such disposition shall be made until six months after publication in the Federal Register and transmission of a notice of the proposed disposition to the Congress and to the Military Affairs Committee of each House thereof. Such notice shall state the reasons for such revised determination, the amounts of the materials proposed to be released, the plan of disposition proposed to be followed, and the date upon which the material is to become available for sale or transfer. The plan and date of disposition shall be fixed with due regard to the protection of the United States against avoidable loss on the sale or transfer of the material to be released and the protection of producers, processors, and consumers against avoidable disruption of their usual markets: *Provided*, That no material constituting a part of the stock piles may be disposed of without the express approval of the Congress except where the revised determination is by reason of obsolescence of that material for use in time of war. For the purposes of this paragraph a revised determination is by reason of obsolescence if such determination is on account of (1) deterioration, (2) development or discovery of a new or better material or materials, or (3) no further usefulness for use in time of war.

"Sec. 4. The Secretary of War and the Secretary of the Navy shall submit to the Congress, not later than six months after the approval of this Act, and every six months thereafter a written report detailing the activities with respect to stock-piling under this Act, including a statement of foreign and domestic purchases, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

"Sec. 5. The stock piles shall consist of all such materials heretofore purchased or transferred to be held pursuant to this Act, or hereafter transferred pursuant to section 6 hereof, or hereafter purchased pursuant to section 3 hereof, and not disposed of pursuant to this Act. Except for the rotation to prevent deterioration and except for the disposal of any material pursuant to section 3 of this Act, materials acquired under this Act shall be released for use, sale, or other disposition only (a) on order of the President at any time when in his judgment such release is required for purposes of the common defense, or (b) in time of war or during a national emergency with respect to common defense proclaimed by the President, on order of such agency as may be designated by the President.

"Sec. 6. (a) Pursuant to regulations issued by the War Assets Administration or its successor, every material determined to be strategic and critical pursuant to section

2 hereof, which is owned or contracted for by the United States or any agency thereof, including any material received from a foreign government under an agreement made pursuant to the Act of March 11, 1941 (55 Stat. 31), as amended, or other authority, shall be transferred by the owning agency, when determined by such agency to be surplus to its needs and responsibilities, to the stock piles established pursuant to this Act, so long as the amount of the stock pile for that material does not exceed the quantities determined therefor pursuant to section 2 hereof. There shall be exempt from this requirement such amount of any material as is necessary to make up any deficiency of the supply of such material for the current requirements of industry as determined by the Civilian Production Administration or its successor. There shall also be exempt from this requirement (1) any material which constitutes contractor inventory if the owning agency shall not have taken possession of such inventory, (2) such amount of any material as the Army and Navy Munitions Board determines (i) are held in lots so small as to make the transfer thereof economically impractical; or (ii) do not meet or cannot economically be converted to meet, stockpile requirements determined in accordance with section 2 of this Act. The total material transferred to the stock piles established by this Act in accordance with this section during any fiscal year beginning more than twelve months after this Act becomes law shall not exceed in value (as determined by the Secretary of the Treasury on the basis of the fair market value at the time of each transfer) an amount to be fixed by the appropriation act or acts relating to the acquisition of materials under this Act.

"(b) Any transfer made pursuant to this section shall be made without charge against or reimbursement from the funds available under this Act, except that expenses incident to such transfer may be paid or reimbursed from such funds, and except that, upon any such transfer from the Reconstruction Finance Corporation, or any corporation organized by virtue of the authority contained in the Act of January 22, 1932 (47 Stat. 5), the Secretary of the Treasury shall cancel notes of Reconstruction Finance Corporation, and sums due and unpaid upon or in connection with such notes at the time of such cancellation, in an amount equal to the fair market value as determined by the Secretary of the Treasury of the material so transferred.

"(c) Effective whenever the Secretary of the Treasury shall cancel any notes pursuant to subsection (b) of this section, the amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered to have outstanding at any one time under the provisions of existing law shall be deemed to be reduced by the amount of the notes so canceled.

"(d) Subsection (b) of section 14 of the Act of October 3, 1944 (58 Stat. 765), is hereby amended to read as follows:

"(b) Subject only to subsection (c) of this section, any owning agency may dispose of—

"(1) any property which is damaged or worn beyond economical repair;

"(2) any waste, salvage, scrap, or other similar items;

"(3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency; which does not consist of materials which are to be transferred in accordance with the Strategic and Critical Materials Stock Piling Act, to the stock piles established pursuant to that Act."

"(e) Section 22 of the Act of October 3, 1944 (58 Stat. 765), is hereby repealed.

"Provided, That any owning agency is defined in that Act having control of materials that, when determined to be surplus, are required to be transferred to the stock piles pursuant to subsection (a) hereof, shall make such determination as soon as such materials in fact become surplus to its needs and responsibilities.

"SEC. 7. (a) The Secretary of the Interior through the Director of the Bureau of Mines and the Director of Geological Survey, is hereby authorized and directed to make scientific, technologic, and economic investigations concerning the extent and mode of occurrence, the development, mining, preparation, treatment, and utilization of ores and other mineral substances found in the United States or its Territories or insular possessions, which are essential to the common defense or the industrial needs of the United States, and the quantities or grades of which are inadequate from known domestic sources, in order to determine and develop domestic sources of supply, to devise new methods for the treatment and utilization of lower grade reserves, and to develop substitutes for such essential ores and mineral products; on public lands and on privately owned lands, with the consent of the owner, to explore and demonstrate the extent and quality of deposits of such minerals, including core drilling, trenching, test-pitting, shaft sinking, drifting, cross-cutting, sampling, and metallurgical investigations and tests as may be necessary to determine the extent and quality of such deposits, the most suitable methods of mining and beneficiating them, and the cost at which the minerals or metals may be produced.

"(b) The Secretary of Agriculture is hereby authorized and directed to make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of supplies of any agricultural material or for using agricultural commodities for the manufacture of any material determined pursuant to section 2 of this Act to be strategic and critical or substitutes therefor.

"SEC. 8. For the procurement, transportation, maintenance, rotation, storage, and refining or processing of the materials to be acquired under this Act, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as the Congress, from time to time, may deem necessary to carry out the provisions of this Act. The funds so appropriated, including the funds heretofore appropriated, shall remain available to carry out the purposes for which appropriated until expended, and shall be expended under the joint direction of the Secretary of War and the Secretary of the Navy.

"SEC. 9. Any funds heretofore or hereafter received on account of sales or other dispositions of materials under the provisions of this Act, except funds received on account of the rotation of stocks, shall be covered into the Treasury as miscellaneous receipts.

"SEC. 10. This Act may be cited as the 'Strategic and Critical Materials Stock Piling Act.'"

And the House agree to the same.

ELBERT D. THOMAS,
ED C. JOHNSON,
LISTER HILL,
JOSEPH C. O'MAHONEY,
WARREN R. AUSTIN,
CHAN GURNEY,

Managers on the Part of the Senate.

ANDREW J. MAY,
EWING THOMASON,
OVERTON BROOKS,
DEWEY SHORT,

Managers on the Part of the House.

The report was agreed to.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. BARKLEY. Mr. President, I am sure we are all anxious to get along with this legislation. We have been in session for nearly 3½ hours, and very little of that time has been devoted to the pending question. It seems to me that we ought to be able to vote this afternoon on the pending amendment, which is an amendment to an amendment.

Therefore, I ask unanimous consent that the Senate proceed, not later than 5 o'clock, to vote on the pending amendment offered by the Senator from Oklahoma [Mr. THOMAS] to the amendment of the Senator from Nebraska [Mr. WHERRY], and that immediately upon the vote on that amendment the Senate proceed without further debate to vote on the Wherry amendment, whether in an amended form or as it has been offered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. O'DANIEL. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BARKLEY. I make the same request for 6 o'clock p. m.

Mr. O'DANIEL. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MYERS. Mr. President, we have listened to a splendid lecture on the fine distinctions between information and propaganda. I should like to get back to the price rises which have taken place during the first week after price control. Those price rises should alarm every Member of the Senate. The newspapers are full of stories about outrageous rises in the prices of meat, poultry, shoes, restaurant meals, and rents. I have many such stores from the newspapers before me. I am glad to say that the newspapers are being very forthright.

We have heard much about meat today. The New York Journal of Commerce reports that retail meat prices are up about 35 percent in the country as a whole. On top of that we have plenty of horror stories—steak, \$1.25 a pound; chicken, up from 60 cents to 95 cents a pound; butter, \$1 to \$1.50 a pound; a second-hand DeSoto selling during the past week for \$2,800, without any OPA interference, with private enterprise; hominy grits, from 6 cents to 48 cents a pound in Pensacola; rents increased 50, 75, and even 100 percent. I could go on, but these horror stories are not quite the point.

Without price control prices in general might or might not rise to these extremes and stay there. But we must face the fact that too many people are now paying these prices. These horror stories show that in the case of commodities for which demand is great, prices in general would certainly go very high without price control.

Many persons are saying that these price increases would be temporary. The rank and file of businessmen in this country do not think so. I have done a great deal of careful reading during the past week. I have read dozens of advertisements by retailers who have patriotically responded to the President's appeal to hold the price line until the Congress can enact an effective price-control bill. Almost every one of these advertisements state that the sponsor is trying to keep his prices in line: But almost all of them are carefully qualified. The advertisers say "We will keep prices in line as long as possible" or "the best we can" or "until our suppliers increase our prices." A great many of them say that they will keep the present prices for the goods they now have on their shelves. I have a number of such advertisements before me, and Senators are welcome to read them.

I have before me a letter from A. C. McCune, president of the Potter-McCune Co., wholesale grocers of McKeesport, Pa., addressed to a Pennsylvania Representative, Hon. FRANK BUCHANAN. This letter is so enlightening that I wish to read it at this point.

McKEESPORT, PA., July 3, 1946.

Hon. FRANK BUCHANAN,

House Office Building, Washington, D. C.:

At this early date, the morning of July 3, 1946, I thought you would be interested in what effect the elimination of OPA has had on a few prices.

The figures that I shall give you will represent what we paid for the same item either from the 1945 pack or on shipments made from the 1946 pack where the packer had figured his ceiling price on the new pack.

On No. 2½ cans of Royal Anne cherries, we paid from the 1945 pack \$3.45 per dozen; we have a quotation this morning of \$4.95 per dozen. On black sweet cherries, No. 2½'s, from the 1945 pack, we paid \$3.76; and this morning, we are asked \$4.95 per dozen. On No. 2 tins of all green asparagus, we paid last year \$3.44 per dozen; we are asked today \$4.50 per dozen. On No. 2½ tomatoes from the 1945 pack, we paid \$1.32 per dozen; and we are asked this morning \$2 per dozen. In this connection, we want to state that we have an invoice, for the same grade of asparagus that we asked \$4.50 per dozen for this morning. This asparagus was invoiced to us under date of June 27, 1946, and is from the new pack, and the price on this invoice is \$3.54 per dozen, illustrating that with the OPA off, the packer is asking an advance of 96 cents per dozen.

On April 20 of this year, we were invoiced with a certain grade of family flour at \$6.94 per barrel; today this same mill asks us \$11.58 per barrel.

If anyone thinks that the removal of OPA control is to do other than create a skyrocketing price advance, they are only fooling themselves.

With the enormous buying power of our wage earners today and with the quantity of goods that we are exporting, there are very few items in food in which the supply equals the demand.

Unless immediate steps are taken to reinstate some kind of control, in my opinion, we are going to see the most erratic market in food products that our country has ever experienced, and I believe that prices will go very much higher than they did after World War I as the buying power of the country is very much greater.

Our own organization has determined a policy whereby we shall not advance a single item that we own unless we have to buy

at a higher price than our present basic cost, and we are avoiding buying anything at a price over the price at which our present ceilings have been established.

I would recommend very highly that if and when a new OPA is authorized, that their action be made retroactive to include July 1, 1946, and that any buyer who purchases between July 1, 1946, and the time OPA is reinstated, if it is, at a price higher than his past ceiling price, that he be compelled to absorb that difference. If distributors hold the line, high prices shall only result where the producer or the packer has upped his price to the distributor.

We are all interested in what is for the best interest of our country, and steps must necessarily be taken to prevent the profiteer from taking advantage of the present scarcity of foods for personal remuneration.

Very truly yours,

POTTER-McCUNE Co.,

A. C. McCune,

President.

These qualifications show that the retailers and wholesalers know that, without price control, the prices they have to pay are almost bound to go up before long. And they know that when that happens they cannot keep retail prices where they are now.

Certainly our experience in the first week after price control shows that their cautions and fears are very well founded. The New York Journal of Commerce carries a wholesale price index for 30 basic commodities. In the week between June 28 and July 5 this commodity index went up 11.2 percent. In that one week wholesale prices rose more than twice as much as in the average year under price control. In that one week grain prices rose 18.8 percent, wholesale food prices rose 23.5 percent. The Bureau of Labor Statistics shows that during that week, corn prices rose 55 percent, wholesale butter prices went up 26.4 percent, wholesale lard prices went up 28.6 percent.

I think the point is very clear. The retailers who issued these advertisements are smart and honest. They know that they cannot possibly keep their prices where they now are very long with basic commodity and wholesale prices going up as they have in the past week.

Let us take an example. Last week feed prices went up 40 percent. How long do Senators think we can keep meat prices where they are now with feed bills almost double? The Journal of Commerce figure for meat price rises will very soon have to be raised from 35 percent to 45 or 50 percent. Such increases in grain prices will add at least 10 percent to the prices of cereal products. They will add about 15 percent to prices of dairy products. That means 10 percent more on bread, 15 percent more on milk, and another 15 percent on butter.

I should like to point out, as I did earlier in the day to the Senator from Wisconsin [Mr. WILEY], that milk prices in my native city of Philadelphia are now up about 5 cents. In other words, we are paying 19 cents for a quart of milk. A story on new price rises, entitled "New Price Rises Loom in Daily Necessities," which appeared in this morning's Philadelphia Inquirer, indicates that a spokesman for one of the large dairies stated that the new price of 19 cents a quart for the most popular grade of milk

was the highest he could remember in Pennsylvania.

Retailers know these things. They are not taking chances. They are doing the best they can. But they are not making impossible promises to the public.

The early part of last week gave us a taste of what can happen to the price of basic commodities when price controls are removed prematurely. We also saw what happened when the country realized that the Congress was going back to work in earnest on a real price control bill.

In the early part of last week, livestock producers flooded the markets with tremendous numbers of animals. But as it became clear that, before long, price control would be reinstated, the large responsible packers pulled out of the market and refused to buy livestock at prices that would result in losses if the meat had been sold at ceiling prices a week or 10 days later. But a number of the less scrupulous buyers stayed in the market. Those are the ones who are now selling meat to stores which are willing to retail it at what I call horror prices; those are the ones the responsible packers will have to compete against as they now come into the market, if we do not get ceiling prices back on meat.

Right here is a good place to take a quick and honest look at the facts about the relation between meat prices and supply. We have been hearing a lot of stories about how lifting meat prices will improve supply. We have been hearing that for weeks and weeks. Nothing could be a greater distortion of plain facts.

The facts are, Mr. President, that we have a very limited grain supply. To raise meat prices now would simply mean that it would be still more profitable to feed still more grain to livestock.

But if we feed more of our limited grain supplies to livestock, that will mean less for dairy feed, less for poultry feed, less for flour and bread, and less to prevent starvation abroad. I, for one, will tell our dairy, poultry, and baking industries not to stand for that. I will urge our people to demand a more sensible use of what we have.

We may as well face the situation. We have to get a balanced production of all the things we need from our limited grain supplies. We cannot do that if we raise meat prices and channel still more grain into an industry where profits are already far above prewar levels. No matter how much prices rise, the only way we can get more meat is to have less milk, less butter, fewer eggs, and less bread.

This week's performance on the livestock markets is just an example of what the absence of price control will do. It also shows how price control can cut the fuze on a keg of inflationary dynamite.

But suppose it became clear to the people of this country that there was not going to be any price control. No one can have an honest doubt that there would be a much more serious spurt in basic commodity prices. Then, retailers certainly could no longer take it upon themselves to keep prices in line, against such impossible odds.

What about the argument that the price rises that now threaten every housewife are temporary? I have here

a copy of a July 2 Associated Press story from Miami, Fla., and I should like to read it, and to have all Senators now in the Chamber to give it their thoughtful attention:

The Greater Miami Apartment House Association and the Miami Beach Apartment House Owners' Association, representing 25,000 apartment units, voted unanimously tonight not to raise rents—yet.

E. J. Minges, former president of the Miami organization, in a speech said: "Don't kill the goose that laid the gold egg—yet. We're all tired of collecting low rent, but, for goodness' sake, let's wait until this corpse is buried. Don't do anything until they get the marble slab on tight. Stay down for a few months. The winter is coming, and when that slab is down tight, you can work rents up, and then there won't be any OPA for them to fall back on."

In other words, wait until the weather is cold, and then shove them out on the sidewalks, with their bedding and their furniture.

I read further:

J. F. McNammara, past president, declared: "Don't use the whip they've given us too soon."

The Miami Beach organization agreed to maintain current rates, even for "undesirable" tenants, until Congress decides finally the fate of OPA.

Does that look to you as if the rent increases we have seen are going to be temporary?

I also have seen a copy of a letter sent to all of their realtor clients by the Dessau Realty & Insurance Co., of Macon, Ga. Let me quote from it:

At a called meeting of the Macon Board of Realtors, Sunday, June 30, 1946, with all offices represented, together with the board's attorney, after thorough discussion, the following resolution was adopted:

"The policy of the Macon Board of Realtors is to collect OPA ceiling rent for the next few days pending possible legislation.

"That all receipts to be endorsed are 'to apply on, but not in full of, July rent.

"That we believe that this is the best procedure under present conditions.

"That the board is opposed to any unreasonable increases in rent."

It was the consensus of opinion that an effort be made to prevent unfavorable action by Congress in the next few days in the matter of further rent control. President Truman in his speech Saturday night encouraged tenants to wire Congress to reenact the OPA law. It was felt that if all tenants were given notice of overnight increases in rent that thousands would wire Congress in protest.

On July 1 many rents automatically reverted to the contract price.

We were advised that if the matter would rock along a few days without too much protest on the part of tenants, Congress would not reenact any rent control.

We will endeavor to see that you are protected in your rights as to all rent due you.

Yours very truly,

DESSAU REALTY & INSURANCE CO.,
WASHINGTON DESSAU.

This does not look to me as if those real estate people intend the rent increases to be temporary. It looks to me as if they are very carefully planning the best way they can to attempt to delude the United States Congress into failing to enact legislation on the subject, so that the rent increases will become as permanent as possible.

Now let us take a look, Mr. President, at how temporary the increases in basic commodity prices would be without price control. Every Member of the Senate knows that right now there is an unprecedented demand for almost every type of commodity. This demand is a double-headed proposition. First, consumers want to buy a lot more than they bought before the war. Retail sales have been rising steadily every since VJ-day. Consumers want more meat, more shoes, more shirts, more building materials, more apartments, more automobiles, more refrigerators, and so forth. There is a tremendous demand on the part of the consumer. That is good. It is good for people and good for business. The Senate of the United States is obligated to keep that demand intact.

But coming on the heels of the war, this demand has depleted the inventories of most businesses. Certainly most business inventories are now far below what would normally be stocked to meet this big consumer demand. This means that just the orders needed to get inventories up to what most businesses will consider workable, add still more to the total demand.

In view of these facts, Mr. President, I do not see how anyone can think that the price increases we have seen this week would soon reverse themselves without price control. In fact, all the evidence indicates that without price control, still larger increases would come quickly, and that they would stay with us long enough to set loose a spiral of inflation that would cost the American people their savings and, in the end, cost thousands of businesses their investments.

The details of this are clear. In 1 week, we have seen an 11 percent increase in basic commodity prices. If all the normal manufacturer, jobber, and retailer margins were added to it, the increase alone would result in a 20-percent increase in living costs. If we abandon price control now, the tremendous demand we now have will certainly raise commodity prices much more. Those rises would discourage retailers from even trying to keep prices in line. We would be setting loose a psychology of "the lid is off—I am going to get mine while the getting is good."

It would not be very long before we saw a 30, 40, or even a 50 percent increase in living costs. But I assure you, Mr. President, that before we reach that point the working people of this country will very rightfully be demanding, and getting, another round of wage increases. That would give rise to still another round of price increases, which would set loose, still more demands for another round of wage increases. Experience shows that once this spiral is loose, prices are inevitably forced up faster than buying power. Those rising prices themselves destroy the markets upon which profitable business and steady jobs depend.

As prices rise, buying must slow up. Then retailers sell less. Soon they order less. Then factories cut production. Workers are laid off. Then both labor and business go fishing and talk about overproduction, flooded markets, and poverty. I cannot cast my vote for that.

Mr. President, I appeal to the sound judgement of the Senate. Profits, in general, are far above prewar levels. Farm income is at an all time peak. Our people have jobs. We have more people at work producing civilian goods than ever before. Production is more than 70 percent higher than in our last prewar years, and it is rising. Most of our major strikes are settled. We are on our way to a prosperous future.

With stability, we can now go ahead and develop the great resources of this country. We can have the security and decent living standard which are the right of every worker and every business man.

Let us not now jeopardize this prospect. Let us renew an effective Price Control Act, and let everyone know that he can plan for the future under safe and sane conditions. That is the next major step in reaching our goal of expanding production, steady jobs, steady markets, and security for the American people. That is the protection to which our people are entitled.

Mr. CARVILLE. Mr. President, I have listened with interest to the remarks of the distinguished Senator from Pennsylvania [Mr. MYERS]. I recall during the debate yesterday in connection with this matter reference was made to evidence concerning the subject of meat. The Secretary of Agriculture, Mr. Anderson, gave certain testimony before the Banking and Currency Committee. It referred particularly to cattle. I feel that I know more about cattle and the processing and distribution of meat than of any other commodity. In Secretary Anderson's testimony he stated that in 1939 there were about 67,000,000 head of cattle available in this country. When he testified, in latter part of April of this year, he said there were 81,000,000 cattle available. That represented an increase, taking into consideration the war period, of approximately 14,000,000 head of cattle.

There was no decontrolling of meat or any of its products by the OPA during the period of time they were in authority. They have been out of existence since the 1st of July of this year. I consider that there is sufficient meat in the country to warrant us in decontrolling, so far as meat is concerned, and if that were done no particular upset would occur in continuing the OPA on other products. I think it might be considered as a basis upon which we could work and ascertain whether it would upset the stabilization of the country, as some Senators have stated would happen unless we hold the line without any relaxation of controls.

Mr. President, we remember the statement of our late President to the effect that the worst thing to fear was fear itself. It appears to me that a great deal of propaganda has gone out causing a state of fear, thereby leading the people to fear that if strict controls were not continued under the OPA set-up, certain dire results would come about.

I will admit, so far as rents are concerned, or the price of real estate, controls might well be retained. There are other articles upon which controls might

well be maintained, but I am not talking about those. I am talking about meat.

Considering the meat situation as it has been placed before us in the Banking and Currency Committee, and referred to on the floor of the Senate, I believe that we can safely decontrol meat and place it on the free market.

Mr. President, I have some interesting figures which show what happened to the meat situation during the months of May and June of this year as compared to a year ago. For the week ending May 4, 1946, the number of cattle slaughtered was 163,000. For the same week last year the number was 236,000. For the week ending May 11 this year, 168,000 head of cattle were slaughtered. Last year the number was 241,000. For the week ending May 18, 1946, 159,000 head of cattle were slaughtered. During the same week last year 236,000 head were slaughtered. For the week ending May 25, this year, the number was 151,000; last year, 244,000. For the week ending June 1, this year, 112,000 head of cattle were slaughtered; last year, 207,000. For the week ending June 8 of this year, 130,000 head of cattle were slaughtered; last year, 249,000. For the week ending June 15 of this year, 109,000 head of cattle were slaughtered; last year, 249,000. For the week ending June 22 of this year, 86,000 head of cattle were slaughtered; last year, 249,000. For the week ending June 29 of this year, 90,000 head of cattle were slaughtered; last year, 243,000. Mr. President, those figures show an increase in the number of head of cattle slaughtered in our legitimate slaughtering pens this year as compared with the number slaughtered during corresponding periods of last year.

Mr. President, where have those cattle gone? They, or a part of them, have gone into the black markets. The ceiling price was set by OPA at a point where the cost price would keep crowding up underneath the ceiling price, and those who were selling according to the ceiling price could not afford to buy stock and place the meat on the market. They found that it had gone into the black markets, where it was being sold.

Mr. President, the figures which I now present show the situation today with regard to meat and meat prices in some of the Western States. The Western States in which the Packers' Association, Inc., does business, with its headquarters at San Francisco, telegraphed its members and asked them the following questions:

1. Have supplies of meat appreciably increased in your area to retail outlets?
2. Is the price line being held closely to former OPA ceilings plus subsidies?
3. Are livestock producers demanding greatly increased prices for livestock both direct and on the market?
4. Has there been any drastic public reaction in your area to price increases that have been instituted?

Here are some of the answers received from the various areas concerned. For instance, here is a report from the State of Washington:

1. Meat distribution on increase and black market rapidly disappearing.
2. Packers advances well held to subsidy increase and no rank violations reported from retailers. We do not consider livestock advances too drastic as packers seem to be

cooperating in trying to hold livestock prices in line.

3. So far our livestock receipts light. Have had no complaints on prices.

4. People much pleased to be getting more meat.

Here is a report from Utah and Idaho:

Supplies of meat to the retailers have definitely increased. Prices are being held about 20 percent higher than OPA ceilings, including subsidies. Retail stores are holding prices down even though losing money. Livestock producers are demanding increased prices for livestock both direct and market. No drastic reaction by public.

Here is California report No. 1, from the San Diego area:

Supplies of meat definitely increased in retail outlets. Prices are in-line OPA ceilings plus subsidies. From our source of supply livestock producers very cooperative and not demanding greatly increased prices. No public reaction this area to price increases.

I now read California report No. 2, from the Los Angeles area:

1. Supplies meat increasing to retail outlets and looks as though there will be surplus in retail markets by end of week as result of large receipts of livestock and large slaughter this week.

2. Prices generally holding in line with policy of OPA ceiling plus former subsidies. Retailers' association has published prices in papers telling consumers what they should pay for retail cuts of meat.

3. Producers of hogs are asking higher prices but producers of cattle and lambs have not so far.

4. There has been no public reaction to the increased prices.

Here is a report from northern California and Nevada:

1. Supplies retail outlets increasing, many markets San Francisco Bay area had meat unsold end last week. Large receipts livestock and slaughter this week will fill retail outlets. Should be ample supplies by end of week.

2. Prices generally holding to line of OPA ceilings plus subsidies.

3. No general demand by livestock producers for increased prices.

4. No reaction from public to increased prices—in fact public seems to have adjusted itself to present prices. Butchers union policing retail market who do not adhere to price line.

I now read the report from Oregon:

1. Commercial grades and canners and cutters are backing up at retail level. Supplies more than ample.

2. Prices this area slightly higher than OPA ceilings plus subsidies packers selling at their actual rail cost.

3. Livestock producers are not demanding greatly increased prices.

4. No public reaction to prices but people only buying the amount of meat they need and there is no more hoarding of meat.

This is a report from Montana:

1. Definite increase of meat through legitimate channels both beef and pork.

2. Price line being held close as possible with former ceilings plus subsidies and higher livestock market as reflected July 1.

3. Livestock producers not demanding increased prices with exception of hogs.

4. No public reaction to prices—in fact we believe public expected higher prices than those instituted. Believe cattle prices will work lower this week, which will be reflected in lower costs to retail trade.

The last is the report from Arizona, as follows:

1. Supplies of meat have increased greatly expect to have meat markets filled with meat

principal populated areas Arizona by end of week.

2. Prices being held fairly close to former OPA ceilings plus subsidies.

3. Livestock producers not demanding greatly increased prices for livestock.

4. There has been no public reaction to price increase. People seem to have accepted increased prices.

Naturally there is an increase in price, because the subsidies are reflected in the prices which have been set since the OPA ceilings were taken off, but it can be seen from the reports which come from the different States of the West, which constitute the great cattle area of our country, that the prices are not going out of line. All admit that as to choice beef the prices are probably higher, but taking the range from the low-priced beef to the high-priced beef, there has not been a rise in the price of that commodity to such an extent that it is alarming.

Mr. President, as I said a while ago, I feel that people are willing, ready and desirous of complying with price levels which will get us back to normal at the earliest possible date. I cannot feel that the rise in prices will be as drastic as it would be made to appear from the propaganda which is being sent out to arouse fear among the people.

I believe that if controls are taken from meat, and that is used as a yardstick by which to proceed, we will find as time goes on that we can decontrol many of the commodities which are now in supply; that there will be a gradual decontrol of the things we use for food and for wearing apparel, and that there will be a restoration of the conditions which prevailed prior to the war under which individualism as we have known it heretofore will be able again to assert itself.

Mr. President, there is one further matter I wish to enter into the record. It is a statement from Mr. E. F. Forbes, president of the Western States Meat Packers Association, in which he says:

The Western States Meat Packers Association polled its membership consisting of the independent meat packers in nine western States and found they were determined to hold the line. They sold their meat products on July 1 at ceiling prices and the price of meat products derived from livestock slaughtered on or after July 1 has only been increased to offset the loss of subsidy to the packer. Livestock producers and retailers pledged their support in this program and the increased price of livestock in the western States this week was close to the old ceiling prices.

Mr. President, that bears out my thought that if we are not propagandized to the point of being kept in fear all the time, knowing as I do that the American people want to be honest and want to carry on for the benefit of the country and their fellow citizens, I am sure that we will emerge from price control and OPA regulations at an earlier date, if Congress will now take a stand and start by decontrolling meat.

Mr. WAGNER. Mr. President, price control legislation has been pending in Congress since February. The American people have a right to expect that we get on with the job, and carry it to an immediate and sound conclusion. The distinguished majority leader, for whom I

have the highest regard, took the only proper course when he persuaded the Committee on Banking and Currency to consider the entire problem at one time, instead of reporting a fragmentary extension, of a few weeks duration. The contribution of the majority leader throughout the entire course of the price control legislation has been of enormous benefit to the Nation. His wisdom, fairness, and untiring efforts to reconcile the many and fiercely divergent interests prove that he is indeed a statesman.

The time for extended debate on this subject has long since passed. Notwithstanding the irritations and misunderstandings in the administration of price control—and the occasional mistakes—the American people are overwhelmingly in favor of continuance of OPA. Ample support for this conclusion appears in the summary of public opinion polls which I inserted in the CONGRESSIONAL RECORD on July 5. These polls, taken over the past few months by newspapers and analysts in different parts of the country, show overwhelming public sentiment for continuance of OPA, among people of every party and section, in large cities, towns, and farms.

If any doubt remained on this score, it was laid to rest by the tremendous upsurge of opinion in the period since June 30, when all controls on rents and prices lapsed. This viewpoint in favor of OPA controls was voiced not only by consumers and consumer groups, but by leaders of big business and little business alike. The advertising columns of every daily newspaper carry these sincere declarations for continuance of OPA authority, for stability in prices, and for fair markets and profits for all concerned, in place of the chaotic situation into which the country is now moving.

The great majority of businessmen want to be fair to their competitors, to those from whom they buy and those to whom they sell, regardless of the law. That is the American spirit. But the OPA controls were established to protect this majority against economic forces too great for any one enterprise to meet alone. The OPA controls were established to protect the majority against those who would gouge the public and encourage black markets. The price and rent increases which the country has already experienced in the last week are the forerunner of a tidal wave of increases that will overwhelm businessmen who want to be fair, and send the cost of living soaring far above its present level.

I ask unanimous consent to have printed as part of my remarks an article presenting a survey of the food price increases, published in the New York Times of July 6, showing that food-price rises have been excessive and cannot be accounted for solely by the termination of food subsidies.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD PRICE RISES CALLED EXCESSIVE—ENDING OF SUBSIDIES ACCOUNTS FOR ONLY PART OF INCREASES, FEDERAL OFFICIALS SAY

(By Walter H. Waggoner)

WASHINGTON, July 5—Government officials were inclined to reject today the conten-

tions of members of the food trade that the sudden sharp increases in the prices of foods since July 1 could be traced solely to the absence of Federal subsidy payments to producers and distributors.

A poll of official economists and other authorities indicated that prices have risen substantially higher since the demise of the Office of Price Administration on June 30 and the beginning of the period of so-called "free economy" immediately following than the amount necessary to compensate for the loss of the subsidy payments.

In addition, it was pointed out, prices of many commodities, including several food items, have moved up even though no subsidies have been involved.

NO LINK TO SUBSIDIES AT ALL

In effect, this argument suggests that part of the price increases for some foods and all of it for others are wholly unrelated to the loss of subsidies contained in the Price Control Act just terminated.

Among the foods which have been partially subsidized, at either the producer or distributor level, milk and meat are outstanding. Price increases in both instances, officials say, are in excess of the amount lost when the subsidy was discontinued.

Although there is a wide disparity in the price increases for the same item in several cities, meat prices are believed to have risen considerably higher than the margin which could be attributed to the absence of the subsidy.

Predicting the price adjustments which would be necessary on July 1 if subsidies were not continued, Chester Bowles, former Director of Economic Stabilization, told the House Banking and Currency Committee on February 20:

"Meat prices would rise 3 to 5 cents a pound; milk would go up 2 cents a quart; bread would go up a cent or more a loaf; canned fruits and vegetables, a cent or two a can for the so-called big four canned vegetables, beans, peas, corn, and tomatoes, which are 80 percent of all the production of canned vegetables; cheese 7 cents a pound; butter 12 cents a pound."

He added that the food price index would "suddenly shoot up 12.3 points," or a little more than 8 percent.

MILK UP 3 CENTS IN CAPITAL

Although New York City and its environs have not yet been affected by the ending of the subsidy to milk producers, other areas were acutely aware of the loss. Milk dealers in this city, for example, advised consumers that the absence of the subsidy payment was the explanation for a 3-cent-a-quart rise in prices. In suburban areas outside the District, the rise was as much as 4 cents.

Officials of the Department of Agriculture, however, stated that a subsidy of 28 cents a hundredweight of fluid milk to the "handler" of the milk in the District of Columbia and another of 75 cents to the producer would, combined, amount to about 2.2 cents a quart at the retail level.

They estimated, also, that the rise in retail milk prices in the New York marketing area should amount to about 1.6 cents a quart for the period July through September, when the subsidy, if continued, would have been 75 cents a hundredweight for fluid milk and about 1.9 cents a quart for October through December, when the subsidy, as planned earlier, would have been 90 cents a hundredweight.

Meat prices appeared to be similarly affected by the end of price control. Mr. Bowles foresaw increases ranging from 3 to 5 cents a pound for meat if subsidies were discontinued. It was estimated by Government economists today that the producers' and packers' subsidy on beef, pork, and veal would amount, on the average, to about 5 cents a pound, and the producers' subsidy for lamb and mutton to about 6 cents.

CHICKEN PRICES RISE SHARPLY

The Bureau of Labor Statistics of the Department of Labor reported that increases have ranged from 10 cents a pound for pork chops and 20 cents a pound for chuck roast in Denver, to 27 cents for round steak in Los Angeles. Washington has had almost no meat for several weeks, but tradesmen predicted substantial imports this week-end, at prices about 20 percent higher than previous ceilings.

Although producers of chicken are not recipients of Federal subsidies, prices have taken a sharp upturn since the end of price controls. They rose an average of 11.4 percent in Washington, 11 percent in Chicago, and 8.2 percent in Cleveland, where shortages appeared to dictate the market price, according to the Bureau.

There was as yet no official recording of price increases for canned and frozen fruits and vegetables and flour, which have been stabilized by subsidy payments. Government officials pointed out, however, that any increase in the popular canned vegetables, such as those mentioned by Mr. Bowles, which exceeded 2 cents a can, or a rise of more than 1 cent for a loaf of bread or 8 cents for 10 pounds of flour could not be explained by the ending of the subsidy for those items.

Mr. WAGNER. Mr. President, I also ask to have printed, at the close of my remarks, indexes of commodity prices in primary markets published by the Bureau of Labor Statistics and the New York Journal of Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WAGNER. Mr. President, these indexes show the substantial percentage increases since June 28, as compared with the increases prior to the date since the hold-the-line order of May 17, 1943.

Mr. President, there has been a great deal of talk to the effect that after 1 week without price control, prices have leveled off and offer no threat of serious inflation. It seems to me this is a serious misinterpretation of what has happened.

Let me use meat, which provides the leading example of what is under way. Hogs and steers have increased only 10 to 12 percent, according to both Government and private reports.

But that rise of "only" 10 to 12 percent has taken place under the threat that OPA regulations would be restored. It has taken place despite the strongest kind of industry discipline among the big packers. It certainly is no measure of the rise we must expect if price control is definitely and finally removed from the picture.

As a matter of fact, the big packers are reported as really entering the market only yesterday for the first time since the expiration of OPA controls. But meantime a heavy run of livestock to market has developed as farmers have concluded that now is the time to sell, before OPA is restored. On none of these counts is the market free from the influence of prospective control. What has happened so far is only a starter on what lies ahead if we do not restore controls.

But even at today's livestock prices, when the effect of subsidy elimination is added in, the housewives of this country will soon be paying not 10 or 20 percent more, but about 35 percent more for meat at retail. And when present feed

prices are translated through to retail, the rise will come close to 50 percent.

Mr. PEPPER. Mr. President, will the Senator yield, or does he prefer not to be interrupted?

Mr. WAGNER. I should rather not be interrupted, but I will yield to the Senator.

Mr. PEPPER. I merely wanted to say, apropos of what the Senator has just said, that yesterday I heard from a reliable source of a case to which I wish to refer. A certain company which owns thousands of head of cattle said that, no matter what prices they were able to secure, if OPA were restored, in protest against OPA they would let their cattle stay in the pastures until they were 8 years old, if necessary, before they would let one go to the market. That is the kind of a strike against the tables of the people of the country that we do not hear about ordinarily.

Mr. WAGNER. Yes, Mr. President, I have heard of such statements having been made.

Mr. President, what is true of meat is true of milk and butter as well. Rising feed prices must force still higher retail prices. There is scarcely an item in the market basket that will not feel the inflationary pressure that today is dramatically concentrated on meat and grains.

In the declaration of policy in the pending bill, Congress sets forth its objective—to protect the real value of benefits provided by law for veterans and their dependents, to keep faith with purchasers of United States war bonds, and to make possible a successful transition to a peacetime economy of maximum employment, production, and purchasing power under a system of free enterprise.

It is obvious that termination of rent and price authority has defeated and will increasingly defeat these objectives, with calamitous consequences for all sections and segments of our population.

The bill reported by the committee is considerably better than the one which the President vetoed. The Taft and Wherry amendments have been modified to correct the defects which the President so convincingly explained in his veto message. The original Taft formula would have afforded spectacular price increases far in excess of what industry needs to earn ample profits and to achieve high levels of production. The price increases granted by the original Taft formula would have been not only drastic but indiscriminate.

The Barkley substitute for the Wherry amendment avoids the inflationary effect of the latter, by making due allowance for increased costs after June 29, 1946. The Barkley substitute for the Taft amendment establishes a really workable rule based on 1940 prices and profit margins. At the same time it is more precise as an instrument for encouraging greater production.

Those who argue that OPA has impeded production simply ignore the basic fact that production has advanced, under OPA, to levels never before attained in peacetime. Last month, civilian em-

ployment in America was 12,000,000 above 1939. Last month, under OPA, this Nation in effect attained a level of 56,000,000 jobs, or substantially full employment. This is a level which few hoped to attain in less than a year after VJ-day.

The Taft amendment, by needless and indiscriminate price increases, would have impeded this great upward march of American industrial production. The Barkley substitute, on the other hand, looks to still greater production, by providing for price adjustments when a substantial increase in production can be attained by the increase, and not at the expense of other needed products.

We all realize, I believe, that price increases selectively and carefully applied are essential as production aids. I favor price increases which have a production purpose. In his veto message the President stated that this was also his belief. The Barkley amendment merely translates that policy into definite language and standards.

I personally favor a bill even stronger than that reported by the Banking and Currency Committee. I stand by the criticisms I made of various provisions of this bill in the minority report filed with the Senate on July 7. As practical men we must recognize, however, that we are now faced with the choice between no price control, and a bill which substantially corrects the two main defects cited in the President's veto.

With that choice before me, I voted to report the committee bill. With that choice before us, the Senate should vote down the amendments to be offered from the floor, and promptly enact the pending measure. With the economic safety of the country at stake, we have no other choice.

EXHIBIT I

OPA daily price summary—prices of July 8—daily indexes of commodity prices in primary (pre-wholesale) markets—movements under "hold the line" and since June 28, 1946

	Percentage increase	
	May 17, 1943, to June 28, 1946	June 28, 1946, to July 8, 1946
Bureau of Labor Statistics:		
General index (28 basic commodities) ¹	13.1	11.1
12 foodstuffs	14.6	22.7
16 raw industrial commodities	11.9	3.2
New York Journal of Commerce:		
Daily index (30 sensitive commodity prices)	15.8	11.1
Grains	39.3	16.1
Food	-1.6	21.6
Textiles	18.3	1.6
Metals	16.2	4.4
Miscellaneous	2.0	9.6

¹ Most of the 28 commodities (see list in pt. II) used in the daily index are basic raw materials and many of them are quoted on organized exchanges or "futures" markets. The daily index is, therefore, much more sensitive to changes in market conditions than is the Bureau's regular index because the latter includes a large proportion of fabricated and semifabricated goods whose prices usually fluctuate less frequently and within narrower margins. Of the 28 items included in the daily index, 18 were selected because of their importance in world trade; 11 of these 18 are imported in large quantities.

DAILY INDEX NUMBERS, SPOT MARKET PRICES,² AND PERCENT CHANGE FOR 28 BASIC COMMODITIES

	Percentage change June 28, 1946, to July 8, 1946	
Index numbers:		
General index	11.1	
12 foodstuffs	22.7	
16 raw industrial	3.2	
11 imported	8.4	
17 domestic	12.9	

	June 28, 1946	July 8, 1946	Percent change
Prices:			
Wheat:			
Kansas City	\$1.871	\$2.050	9.6
Minneapolis	1.885	2.055	9.0
Flaxseed	3.350	3.750	11.9
Barley	1.440	1.560	8.3
Corn	1.448	2.140	47.8
Butter ³	.560	.711	27.0
Tallow ³	.086	.115	33.7
Hogs	14.850	16.625	12.0
Steers	17.000	18.500	8.8
Lard ³	.140	.180	28.6
Sugar ³	.042	.042	0
Coffee	.158	.215	36.1
Cocoa beans	.090	.135	50.0
Shellac	.365	.365	0
Rubber	.225	.225	0
Hides	.155	.155	0
Rosin	6.760	6.900	2.1
Cottonseed oil ⁴	.143	.178	24.5
Print cloth ³	.114	.114	0
Silk	3.080	3.080	0
Wool tops ⁴	1.330	1.400	5.3
Burlap ³	.118	.118	0
Steel scrap:			
Chicago	18.750	18.750	0
Philadelphia	18.750	18.750	0
Tin	.520	.520	0
Copper	.142	.142	0
Lead	.082	.095	15.9
Zinc	.087	.099	13.8
Cotton	.310	.320	3.2

² Spot (cash) prices in primary markets except where otherwise indicated.

³ Wholesale price.

⁴ Futures market.

Mr. PEPPER. Mr. President, I do not wish at this time to make some remarks which I expect to make a little later on this measure, but I do desire to call attention to the fact that a very interesting thing happened in the city of Miami, indicating how the people of my State—and I believe the masses of the people of the Nation—feel on the subject of price control.

I hold in my hand a poster which reads, "A mile of names to save OPA—Miami-Dade County Save OPA Council." Those posters were placed on tables on prominent street corners in the city of Miami, and volunteer ladies from various organizations, such as the Federated Women's Clubs, and other women's organizations sat at the tables and invited people to stop and sign their names to petitions to be sent to the Congress.

I have before me those petitions, which speak for themselves. They show the volume and bulk which they possess. They contain the signatures of the people as they were affixed. These petitions and this placard were brought to me by a responsible gentleman from the city of Miami. I learn from the newspapers—and I am so informed by the gentleman who brought them here—that 75,000 names appear on the petitions.

Mr. President, I believe that under our Constitution the people have the right to petition their Congress. I should like to present these petitions from the city of Miami as evidence of how the masses of the people in that city feel on this subject, as they expressed themselves while walking along the streets. I send the petitions to the desk and ask that they be received and lie on the table.

The PRESIDING OFFICER. The petitions will be received and lie on the table.

Mr. PEPPER. Possibly other petitions will be presented later. I saw three gentlemen in the lobby. Two of them happened to be from Norfolk, Va. They said they were veterans of the Second World War. They told me that they intended to present to the senior Senator from Virginia [Mr. BYRD] a petition from Norfolk, Va., containing 7,500 names. These two veterans stated that they had participated in obtaining the signatures. They had sheets of paper available to the public for a total of 4 days, 2 of which were rainy days, and they obtained 7,500 signatures to the petitions, no doubt addressing the Senate, through their Senator, to the same effect as did the people of the State of Florida.

Mr. President, I merely wish to present the petitions to the Senate and to say that I believe they are typical of the sentiment of the people in my State and in other States of the Union. When I say "the people," I mean the masses of the people of this Nation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS] to the amendment offered by the Senator from Nebraska [Mr. WHERRY] on behalf of himself and other Senators.

Mr. BROOKS. Mr. President, I take it as a well-established fact that the OPA restrictions on meats have created probably one of the largest black-market operations in the history of our country. The flow of meat into illegitimate channels almost wrecked some of the oldest and most substantial industries in the meat business of the Nation among the legitimate packers.

I hold in my hand a statement issued yesterday by John Holmes, president of Swift & Co., indicating their attitude at the present moment. It reads as follows:

Swift & Co.'s prices on meats to its customers are unchanged from levels prevailing prior to July 1 except that the company is adding the amount of the subsidies which the Government has withdrawn.

These subsidies heretofore have constituted a hidden cost to consumers for meat whether or not they have been able to buy meat, since they have been taken from consumer's pockets in the form of Federal taxes. Now the subsidies have been eliminated, and price adjustments throughout the livestock and meat industry have reflected this.

Since the elimination of price control, Swift & Co. has operated its business with restraint and has tried to proceed according to the best interests of its employees, its customers, and the producers of agricultural products. We propose to continue in this manner and are confident that the free functioning of forces of supply and demand will produce stabilized conditions in the industry in the best interests of all concerned.

Consumers should remember that in any comparison of prices the comparison should be between present meat prices and the prices at which most meats sold in the black market prior to July 1. It would be misleading to compare present prices with the false ceiling prices which prior to July 1 were not in any way indicative of the actual cost of meats to consumers.

Supply and demand are the factors that will establish the level at which meat products sell. Meat is perishable and must be sold promptly and the American housewife is now once more in a position to say what she is willing and able to pay for meat. Under open market conditions, this is the most important factor that determines the prices of meat as well as livestock.

The meat industry from farm producer to retail market has been seriously dislocated by months of black-market operations and because of this, it may take sometime for the industry to recover. Eventually, however, meat will flow through legitimate channels for fair distribution to everyone at prices they are willing to pay.

Mr. President, that is not a propaganda letter. It is a mere statement of fact by the head of one of the great meat-packing companies, which has almost been forced to the wall because of the policies pursued under the direction of OPA, forcing meat into the black market and making criminal operations out of one of the substantial historic industries of the country which affects the lives of all of us.

I have also received a telegram from Mr. H. H. Parke, president of the Producers Livestock Credit Corp. of Chicago, Ill. The telegram reads as follows:

CHICAGO, ILL., July 8, 1946.

Hon. C. WAYLAND BROOKS,
Senate Office Building,
Washington, D. C.:

Cattle receipts 12 markets today over 100,000. Grass run definitely under way. Suggest meat and meat animals be left out of OPA control for the best interests of both consumer and producer as well as national economy.

PRODUCERS LIVESTOCK CREDIT CORP.,
H. H. PARKE, President.

This morning I telephoned to some of the well-known and honorable men in the legitimate poultry industry in Chicago to learn what the picture was so far as today's poultry market was concerned. They informed me that beginning with this morning live poultry had gone down in price from 3 to 5 cents already. It is my belief that there is available the largest supply of meat the Nation has ever had. If meats are decontrolled they will move to market, and we shall be able to sustain legitimate businesses. We shall drive out of existence black markets and corrupt operators, and we shall restore meat to the retail counters, so that everyone may have a fair opportunity to buy it at a fair price.

Mr. THOMAS of Oklahoma. Mr. President, I desire to occupy only a few minutes, but I prefer to make my statement just before the vote is taken.

Mr. HAWKES. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum? I believe that Senators should be present to hear what the Senator from Oklahoma is about to say.

Mr. THOMAS of Oklahoma. I yield.

Mr. HAWKES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Andrews	Hawkes	Overton
Austin	Hayden	Pepper
Ball	Hill	Radcliffe
Barkley	Hoey	Reed
Bridges	Huffman	Revercomb
Briggs	Johnson, Colo.	Robertson
Brooks	Johnston, S. C.	Russell
Buck	Kilgore	Smith
Burch	Knowland	Stanfill
Bushfield	La Follette	Stewart
Byrd	Langer	Swift
Capper	Lucas	Taft
Carville	McCarran	Taylor
Chavez	McClellan	Thomas, Okla.
Cordon	McKellar	Thomas, Utah
Donnell	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Maybank	Wagner
Ferguson	Mead	Walsh
Fulbright	Millikin	Wherry
George	Mitchell	White
Gerry	Moore	Wiley
Gossett	Murdock	Willis
Green	Murray	Wilson
Guffey	Myers	Young
Gurney	O'Daniel	

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. THOMAS of Oklahoma. Mr. President, I understand that the Senate is about to vote on the pending proposal. Before the vote is taken I desire to use a very few moments to explain the issue. It is very simple. The original bill which the Senate committee reported to the Senate would have decontrolled livestock and poultry. The Senate passed the bill in that form, and the bill was sent to conference. In the conference the conferees eliminated from the bill all provisions relating to the decontrol of specific commodities, and there was left only a formula which the conferees hoped would be followed in decontrolling commodities when the supply reached a reasonable relationship to the demand.

When the pending joint resolution came before the Senate, it provided for no decontrol of specific commodities, but it carried a general formula for the decontrol of commodities in the future at the request and at the will of the Office of Price Administration. Mr. President, if the Congress of the United States, which is supposed to represent the people of the various districts and States and is supposed to know the conditions which exist therein, is unwilling to go on record in favor of any decontrol, then certainly we cannot expect the Office of Price Administration to take up the cudgel and carry it and begin to decontrol things. This measure is to run for a year. Unless the Congress sets an example by providing for the decontrol of certain commodities which now are in surplus supply, then I make the prophesy that the Office of Price Administration will not proceed to decontrol anything for 1 year yet to come.

The Senator from Nebraska [Mr. WHERRY] has offered to the pending joint resolution an amendment proposing to reduce the power of the Office of Price Administration to place controls on livestock and poultry. The Senator from

Nevada [Mr. McCARRAN] has offered a similar amendment. At this point, in order that the situation may be clear, I shall read the amendment of the Senator from Nebraska [Mr. WHERRY], which he has proposed for himself and various other distinguished Senators. The amendment is short:

(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

That amendment has been offered by the Senator from Nebraska, on behalf of himself and various other Senators.

The Senator from Nevada [Mr. McCARRAN] has offered a similar amendment. In order that the record may be complete, I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection the amendment intended to be proposed by Mr. McCARRAN to the joint resolution (H. J. Res. 371), extending the effective date of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, was ordered to be printed in the RECORD, as follows:

On page 9, after line 14, insert the following new paragraph:

"(7) Price controls, with respect to livestock, poultry, and eggs, and food and feed products processed or manufactured in whole or in substantial part from livestock, poultry, or eggs, shall not be effective after June 30, 1946."

Mr. THOMAS of Oklahoma. Mr. President, I have objected to those two amendments, in that neither of them goes as far as I think the Congress should go. There are only two points involved, and I shall state them in a sentence. Under the Wherry amendment and under the McCarran amendment, if either becomes a part of the pending measure and if it is signed by the President and becomes the effective law, on the next day after the enactment of the law and its approval by the President, the President might issue an Executive order placing back under controls livestock and poultry. I am not agreeable to such a situation. So my amendment, which I have offered as a substitute for the Wherry amendment, reads as follows:

Notwithstanding any provision of this act or otherwise, or any Executive order—

I think that covers everything. It covers everything under this measure or under any other act or under any Executive order.

Then the amendment continues as follows:

no regulation, order, directive, or allocation shall be issued, made, or maintained (including directives for distribution or price schedules) with respect to livestock, poultry, or any product processed in whole or substantial part therefrom.

Mr. President, if the amendment is adopted I think we can make the law iron-clad. It will hold water and no one may, under any procedure, under the law, or any existing order hereafter issued, impose controls on livestock or poultry. That is my point No. 1.

My second point is this: Under the Wherry amendment, only the edible parts of livestock or poultry are taken into consideration. In other words, those portions of livestock and those portions of poultry which are not edible are not taken out from under control. The hide of a cow or a steer is a part of livestock. Yet, under the Wherry amendment, it would not be removed from control. Take for example, sheep. They are livestock. Under the Wherry amendment wool would not be taken out from under control. The amendment which I have offered as a substitute to the Wherry amendment would, if carried, result in livestock and all its component parts being removed from the control of the Office of Price Administration.

The same is true with respect to poultry. The Wherry amendment covers poultry and eggs. Eggs amount to nothing, so far as the law is concerned, because poultry is interpreted as including all parts of poultry. In other words, eggs are a part of a hen, a goose, or a duck. My amendment includes all livestock and the component parts of livestock such as hides, tallow, hair, hoofs, horns, and anything else which is a part of livestock. It also covers everything which is a part of poultry.

Mr. President, I have explained the amendment. The question is whether the Senate is willing to provide that restrictions shall be lifted from poultry and livestock.

Mr. BARKLEY. Mr. President, I notice that the Senator's amendment contains the words "livestock, poultry, or any product processed in whole or substantial part therefrom." Does the Senator intend that the language of his amendment shall include leather, leather products, luggage, or anything which is manufactured out of any part of livestock?

Mr. THOMAS of Oklahoma. The Senator will have to make that determination for himself.

Mr. BARKLEY. The Senator has submitted the amendment. It is in his language. I am asking for his interpretation of his own amendment. Would any product processed in whole or in substantial part from livestock be included in the amendment? Would it include leather and shoes? Of course, shoes are made from the hides of livestock. A handbag is made of leather which is processed from livestock. Pocketbooks, handbags, luggage made of leather, or other articles the construction or manufacture of which involves the use of leather, would be processed. Clothing and clothing made from wool would be processed out of livestock. If the Senator's amendment means what it seems to indicate, it would limit authority over anything that is made from any kind of an animal which comes within the category of livestock. I suppose the Senator would like to know what the Senator from Oklahoma has in mind.

Mr. THOMAS of Oklahoma. The original bill which came before the Senate on the recommendation of the Senator from Kentucky had in it language similar to the language to which he has referred. I ask him if he intended the bill

to cover all the articles which he has mentioned.

Mr. BARKLEY. The bill which I sponsored before the Senate did not contain language of the kind which I have read.

Mr. THOMAS of Oklahoma. The first bill contained a similar provision.

Mr. BARKLEY. The bill as reported originally by the committee, and which decontrolled livestock, poultry, and dairy products, contained similar language. It was not exactly the same language. I believe it was limited to food and feed with respect to poultry. I have forgotten the exact language, but it did not carry with it any doubt of its meaning. If the bill had been agreed to by the conference committee and had become law, the language would have applied to the articles which it mentioned. I would have to get a copy of the bill as it passed the Senate in order to ascertain the exact language which was adopted. Evidently the Senator knows what he means by the language which he is attempting to use.

Mr. THOMAS of Oklahoma. I meant to embrace in the amendment the same ideas and provisions as those which were carried in the original bill wherein livestock and poultry were decontrolled. Now the situation is reversed.

Mr. BARKLEY. Would a pair of shoes be a product processed in whole or in part from livestock, such as a cow, a steer, or any other animal which produced hide?

Mr. THOMAS of Oklahoma. If followed down to the nth degree, the answer is "Yes."

Mr. BARKLEY. So a woolen suit of clothes would be in the same category.

Mr. THOMAS of Oklahoma. If followed down to the nth degree, the answer would be "Yes."

Mr. BARKLEY. That is what I wanted to get the Senator's interpretation of. I thank the Senator.

Mr. THOMAS of Oklahoma. Mr. President, I do not care to make any further statement. I desire to have placed in the bill the same provision which was incorporated in the original bill passed by the Senate and sent to the conference committee.

Mr. BARKLEY. The Senator mentioned the word "eggs."

Mr. THOMAS of Oklahoma. Eggs mean nothing in the law. When we say "poultry" we mean all the products which come from poultry.

Mr. BARKLEY. An egg is a product of poultry.

Mr. THOMAS of Oklahoma. Yes; just as is butter a product of milk.

Mr. BARKLEY. It is debatable whether the egg is a product of poultry or poultry is the product of an egg. That is a matter which has been debated for centuries and centuries.

Mr. THOMAS of Oklahoma. Mr. President, I am sure that we cannot settle that point on the floor of the Senate.

The substitute for the Wherry amendment has been offered. It provides for restrictions against imposition of any controls on livestock and livestock products, and upon poultry and poultry products. Mr. President, I submit the amendment for the consideration of the Senate.

SEVERAL SENATORS. Vote! Vote!

Mr. O'DANIEL. Mr. President, I do not care to delay the Senate very long, but before any votes are taken on any amendments to the pending joint resolution I wish to make a few remarks concerning the measure itself.

I believe I have already made it clear that I am opposed to the OPA in any way, shape, manner, or form. I think that the Senate at this time is confronted with a momentous question. In my opinion, the question which is involved is far greater than what the price of a dozen eggs shall be, or what the price of a pound of butter shall be. I think we have gone far astray in this great deliberative body when we start discussing the price of a loaf of bread, a pound of butter, or a dozen eggs. I think there is a great fundamental issue involved in the subject which is now before the Senate. I think the fundamental issue involved is whether or not this Nation of ours shall continue as a Republic, or shall be torn further apart and reduced to a communistic state. I think I have just grounds for that belief.

Mr. President, George Washington warned us that we should beware of our Nation being destroyed from the inside instead of the outside. The same thought is being voiced by other public officials in our Nation today. I wish to quote from a statement by the Attorney General of the United States, Mr. Tom Clark, in which he recently said, during the course of a speech:

No one but a complete crackpot can be deluded by what we see going on today. We know that there is a national and international conspiracy to divide our people, to discredit our institutions, and to bring about disrespect for our Government. Why should we blind ourselves to obvious facts?

Continuing, Attorney General Clark said:

Here is a deep-seated and vicious plot to destroy our unity—the unity without which there would be no United States * * * In the black bible of their faith [the Communists], seek to capture the important offices in the labor unions, to create strikes and dissensions, and to raise barriers to the efforts of lawful authorities to maintain civil peace * * *

No country on earth, and no government, can long endure this vicious attack * * * They are driving law enforcement in this country to the end of its patience.

Mr. President, in what I have read lies a warning from the Attorney General of the United States concerning the activities of the Communists in an effort to overthrow our American form of Government. I have heard statements made on the floor of the Senate on other days, as well as today, to the effect that the Communist Party and the Communists of this country are to a man supporting the OPA. It has the wholehearted and unqualified support of every Communist, red and radical, in the United States.

In making that statement and condemnation of OPA, Mr. President, I wished to be distinctly understood that I realize there are also some very good, honest, and patriotic citizens of this Nation who favor the OPA. But I believe that in most of these cases those who favor OPA have been entirely misled by the propaganda which has been broadcast by the OPA and by the Communist

Party and by other organizations of similar character.

I have great faith in the rank and file of the common citizens of America. I think they will in ninety-nine cases out of a hundred come to the right conclusion and do the right thing providing they are in possession of all the facts and the truth about the subject which they are studying. I do not believe they have been informed nor do I believe they are now informed as to the ugly truth about the OPA.

I do not think any public officials interested in the administration of OPA have the least concern for the welfare of any of the poor people of this country. I think OPA was deliberately conceived by a gang of Communists or their fellow travelers who sought to have this agency set up for the main objective of overthrowing our American form of Government, and I think they have almost succeeded. I think it is almost miraculous that OPA is now dead. Two weeks ago tomorrow the OPA bill appeared to me to be all geared and set to go through the Senate without any material objection, almost as swiftly as appropriation bills go through. I had the idea at that time that the only way to defeat OPA and let it die was to apply some tactics to slow down the process or to discuss the matter thoroughly in this body. I called for help realizing that no one Senator could expect to talk about OPA from that date on to midnight June 30. I am very glad that some help came from Senators, not sufficient, of course, but we also got some help from the President of the United States in the form of a veto, which caused OPA to die. I do not know what the reasons were for the President's veto, but I appreciate his veto just as much as if I did know, because OPA is now dead, dead as a door nail.

There may be some who do not yet realize that OPA is dead. To those folk I wish to say that they remind me of a great big colored gentleman down in our neck of the woods who got a little "sassy" with a smaller colored gentleman and they got into quite a tussle. Of course, it looked as if the large colored gentleman would get the best of the bargain, but the little colored gentleman pulled out a great big razor and took a slash at the neck of the big colored gentleman. The big boy said, "Ha, ha, brother, you missed me." The little fellow said, "You just wait, brother, till you try to turn your head." [Laughter.]

So I believe that sooner or later those who believe that OPA may not be dead will discover, when it tries to turn its head, that it is disconnected from its body.

Now we are engaged in a great debate here as to whether or not we shall disinter the body, resurrect the body, and breathe into it the breath of legislative life and start it on its nefarious path of destruction again.

Mr. President, I am opposed to that. I do not think that should be done. I am not entirely convinced that it can be accomplished because we face an entirely different proposition when it comes to resurrecting OPA than we faced when we were debating the question of enact-

ing the law setting up the Office of Price Administration. We have not yet come to the discussion of the important part of this subject on the floor of the Senate. I imagine that some Senators will get to that question. It was touched on lightly by the Senator from South Dakota [Mr. GURNEY] and I think it will be enlarged upon. I think as Senators begin to realize the predicament which would be created by the reinstatement of OPA they will come to the conclusion that it is an inadvisable thing to do.

Since OPA died a natural death at midnight June 30 the economic life of America has continued. The world did not come to an end as has been prophesied by the prophets of gloom down in OPA. We continued right along, which bears honorable tribute to the great masses of business and professional men and women of this Nation. Their Government let them down, it let OPA expire, and left the whole economic life of our Nation suspended in midair. Were the men and women who are engaged in business, who are engaged in processing and manufacture and distribution and transportation of all the essentials of life to lie down on the job and quit and say, "We cannot do anything"?

Mr. McMAHON. Mr. President—

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Texas yield to the Senator from Connecticut?

Mr. O'DANIEL. I am sorry, I cannot yield now.

The men and women of this country did not lie down on the job. They continued under the system of private enterprise which had been in existence in this Nation for over 150 years, before the New Deal was born. They continued to operate private enterprise on the basis that was used in the building of America to be the greatest nation on the face of the earth.

Prices sought their level under the law of supply and demand. Some prices rose and some fell. In all cases where the prices changed it proved the fallacy that any bureaucrat in Washington could have wisdom enough to keep prices where they should be all the time. They had gotten entirely out of proportion, and they were seeking to regain their equilibrium. We have now had 9 days of freedom in America, freedom for commodities and products to seek their level through the will of men and women, those who produce and those who wish to buy, in other words, through the law of supply and demand.

Here is a problem: The articles which have risen above the prices which OPA set prior to June 30 are owned by somebody, and if we are to enact legislation which will roll back the prices to June 30, does this body intend to impose a hardship on the owners of all that vast property, the hardship and the loss which would be incurred from a reduction of the prices which have risen by perfectly lawful means to a level higher than that of June 30? Does the Senate wish to take the position that it will use the force of law to tell every owner in the United States, every honorable citizen of the United States, that although he paid a certain price, and it was a law-

ful price, for a certain commodity or product on a certain date since June 30, he must now sell that product below the price he paid?

Millions of bushels of grain have changed hands. Legitimate dealers have bought and sold grain. The grain which has been bought at a higher price than was in effect on June 30 is owned by somebody in some form or other. It may be in the form of grain in the hands of a country elevator, it may be in the form of grain in the hands of a flour miller, it may be in the hands of a corn processor who manufactures the 101 articles which are manufactured from corn.

The grain which has been bought at those prices may be in the process of manufacture, a part of it may be in flour, a part of it may be in bread, a part of it may be in sirup, a part of it may be in sugar, a part of it may be in glucose, a part of it may be in 101 different articles. It may be in the hands of the processor, it may be in the hands of the local buyer, it may be in the hands of the transportation company, it may be in the hands of the wholesale dealer, it may be in the hands of the retail grocer.

Retail grocers, especially the smaller ones, carry small stocks and have a complete turn-over about once every week or 10 days. Nine days have now elapsed since OPA went out of existence. Before the proposed law could possibly be enacted practically every article in every little corner grocery in this country will have been purchased by the corner grocer since June 30; and what are we to do? The natural thing for this administration to suggest is that a subsidy be paid. We always try to find the easy way out, by printing some more money, or borrowing some more money, or paying someone for a loss he may sustain.

Even if that method were adopted it would be almost an impossible task to find enough men and women to go into every corner grocery store, every large department store, every manufacturing establishment, every place of business or industry throughout the Nation and take an inventory of all the merchandise and all the commodities which have changed hands since June 30. It would be a colossal task, one that would be almost impossible to accomplish, and one which I do not think the Government would want to undertake. I point that out to show that we have an entirely different subject for discussion now, when we are discussing the resurrection and reenactment of the OPA legislation, after OPA died a natural death 9 days ago, than we had when we were considering the extension legislation last month, or when the legislation was first enacted in 1942. All sorts of proposals will be made. Some may say, "Let us reenact the legislation and set the ceiling prices as of the day the bill becomes law." If that were done, what need would there be for OPA? Prices will have been adjusted by that time. The law of supply and demand will have taken charge of the situation, and everything will have been straightened out up to that particular day. Then, if we reestablish OPA, all the prices would begin to get out of kilter again.

So I call the attention of the Members of this body to the fact that we have here a very serious matter when we consider the effort that is being made to try to reimpose upon the American people this communistic, un-American, socialistic piece of legislation known as OPA. As I said, there are many who want OPA. Some of the best people of our country want OPA. I have talked to many such people personally. I have talked to some of the poor folk of this country, and some of them have said, "Oh, yes, we want OPA. It helps to hold down the price of our groceries." I said, "Do you believe in socialism?" They replied, "No, we do not believe in socialism."

There are not many people in this country who believe in socialism, Mr. President. Not many people would go to the polls and vote the Socialist ticket. But I have said to those people, "If you are in sympathy with OPA and you want OPA fastened on this country by law, you will in effect be voting the Socialist ticket. Socialism simply means using the strong arm of the law to take money or valuable possessions away from some of our citizens and giving them to others of our citizens." When that is explained to the honest folk of this country who thought they wanted OPA, they change their minds. Many of them have told me face to face, "We never looked at it in that way before. We did not believe that it was anything like that, but we can see that it is now." They can see that when it is properly explained to them. Let us say there is a poor old farmer who has been working from daylight to dark, he and his whole family, going out early in the morning through the wet grass and driving in the cows, milking them, taking care of the milk and churning the butter. When mama sends the butter to town someone in town might want to give her a dollar a pound for it, but she cannot accept it because the Congress of the United States has enacted legislation which provides that she can receive but 43 cents a pound for it.

I believe, sincerely, that the whole purpose of OPA is to serve as a means to overthrow our American form of government and to discredit and destroy our system of private enterprise. I am opposed to it on that basis.

Mr. President, I have quite a bit more to say about this measure, and as time goes on I may say it. I may read some more telegrams—the voice of the people. Thousands of telegrams are pouring in from every State of the Union, not from those who can afford to pay money in support of a lobbyist in Washington, or pay for a delegation to come to Washington, or who can even afford to buy their own railroad tickets to come to Washington. The great bulk of the telegrams come not from such people, but come from the little folk, the people who make up the rank and file of American citizenship. They telegraph and tell us what damage OPA has done to them, that they want to get out from under OPA, and how very happy they are that they can now breathe the free American air again, since they are out

from under the dictation of this domineering power.

I may read some telegrams at a later time in this discussion, but I wanted to make these few remarks before a vote is taken on the pending amendment, so all Senators may have a clear idea of just what might be the picture of the bill, just what it may look like when it finally comes out at the end of the mill, if it ever does come out at the end of the mill. Senators may therefore be able to decide how they want to vote on the various amendments which may come up for vote.

Mr. President, I do not see much chance of changing the trend with respect to the bill, or having much effect in influencing the action taken on the bill, by anything I might say, however logical it might be, because in this body I do not think there is much ever said by any Senator which affects or influences the vote of other Senators. I think Senators have a way of forming their own conclusions without listening to the voices of their brother Senators. That is as it should be. Every Senator has the right to take into consideration everything that becomes his knowledge before he votes on various questions. I wish to make it very clear however, that I have from the very beginning, and I intend so long as God gives me breath to delay the final vote on this measure so there will be sufficient time for Senators to give full consideration to every phase of this important subject. In everything I have said about the measure so far, I have not digressed from the subject. I have stuck to the subject of OPA, and I intend to stick right to that subject, because one might talk for a year and never be able during the entire year to say everything bad there is to be said about OPA.

I have heretofore called for assistance from Senators. I have begged Senators for help. Some Senators responded. If a sufficient number respond now we can talk this measure to death. Senators will become tired of it. I have seen that happen in the Senate before. Senators have talked for days and days on a certain subject, and finally everyone got tired and said, "Let us lay the matter on the table. Let us quit discussing it." In that connection, the bill I am reminded of most, which was handled in that way, is the FEPC bill. There, Mr. President, was a dilly. There was a bill on which Senators could talk for days and days and days. Very few Senators listened to those who spoke, but there was always some Senator talking on that bill, and finally those who sponsored the bill gave up, and it was returned to the calendar. The great social gains which the sponsors of FEPC claimed were included in that measure have fallen by the wayside—gone, and perhaps forgotten. We do not hear anything about it any more. The bill just died.

I have been wondering, Mr. President, if I could not secure a little more support in talking about the pending measure, if I were to offer the FEPC bill as an amendment to the pending measure. I am against FEPC. I think FEPC is just

as bad as OPA. I think the FEPC bill is purely a communistic measure. They are both in the same category. They are both in the same class. Both are supported by the Communists, the Reds, the Socialists, and radicals. By coincidence, both died at the exact toll of midnight chimes on June 30 of this year. OPA and FEPC are both dead. They are dead issues. They are sleeping peacefully. Of course I would not want to say anything that would indicate that Senators are ghouls, going out at midnight to disinter the remains of those two stinking things. But if it were other than Senators involved, that is what I would say, because it reminds me of just such a thing. It looks to me as though that is what has happened. It is pure discrimination for us to stand here and contend that OPA should be resurrected, and let FEPC sleep in peace. I fought FEPC. I think the FEPC measure is a bad bill, but this is the idea I wish to present. If we have two bad bills, why not put them both in the same bag and discuss them both at the same time. It would not take a bit more breath to do so.

So Mr. President, I am sending to the desk the FEPC bill, which I intend to offer as an amendment to the OPA measure, and I intend to call it up at a later date. It is Senate bill 101. Mr. President, OPA is not a test of whether prices shall rise or fall. It is a test of whether our Republic shall rise or fall. Let me repeat. OPA should not pass, OPA must not pass, OPA shall not pass.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. BARKLEY. Mr. President, I hope we can obtain a vote on the Thomas amendment and then immediately thereafter obtain a vote on the Wherry amendment, and if we should be successful in obtaining a vote on both of them it might shorten the day's session somewhat.

Inasmuch as I have not discussed the pending amendment I wish to offer just a word, as I feel it my duty, before the vote, with reference to both the Thomas and the Wherry amendments, and I shall say what really I have to say about both of them at the same time.

The Senator from Oklahoma [Mr. THOMAS] has asked me to give him the language in the bill as it passed the Senate. I have obtained the language of the bill as it passed the Senate, and I read it:

Price controls with respect to livestock, poultry, or eggs, and food and feed products processed or manufactured in whole or in substantial part from livestock, poultry, or eggs shall be removed not later than June 30, 1946.

So the language of the Senate bill which was deleted by the conference committee applied only to livestock, poultry, and eggs, and food and feed products processed or manufactured therefrom. The same language applied with respect to the decontrol of milk. It is limited to food and feed products. The amendment offered by the Senator from Oklahoma applies to everything that is processed or manufactured from livestock, poultry, or any product processed in whole or in substantial part there-

from. Therefore if it should be adopted it would prohibit any price ceiling or any control. If the Thomas substitute should be adopted it would prohibit the issuance of any order or regulation of any kind with respect to prices, or any other sort of control over anything processed or manufactured from livestock, poultry, or any product processed in whole or in substantial part therefrom.

The amendment offered by the Senator from Nebraska is limited to livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or in substantial part from livestock, poultry, or eggs.

Therefore I am opposed to the Thomas substitute and hope it will not be adopted. While I am on my feet, I might as well say that I am also opposed to the Wherry amendment. We have established, in a way that has been repeatedly described, machinery for the decontrol of all products, agricultural and non-agricultural. Agricultural products are to be decontrolled under a formula to be administered by the Secretary of Agriculture, whose duty it will be to certify to the Price Administrator within a month after this law becomes effective, and every month thereafter, agricultural commodities which are in short supply. With that duty devolving upon the Secretary of Agriculture he would consider it seriously with a view of carrying out the intention of Congress. I think all of us have sufficient faith in Secretary Anderson to believe that he would not in any way dodge that responsibility. He would not deviate from his duty with respect thereto; and I have no doubt whatever that if this provision is retained in the bill and the bill is enacted into law, almost immediately the process of decontrolling agricultural products will begin, and the Congress will be relieved of the assumption on the part of anyone that we have selected three, or four, or five, or any number of commodities to decontrol ourselves, when we establish the machinery for their orderly decontrol under the jurisdiction of the Secretary of Agriculture.

It seems to me that we ought to be willing to leave the decontrol of agricultural products to the Secretary, who is familiar with the subject and whose duty it would be to have detailed and meticulous information with respect to the supply and demand of agricultural products.

I am willing to trust the Secretary of Agriculture in that regard. In the case of all nonagricultural products we propose to establish a decontrol board. Whenever the Secretary of Agriculture recommends the decontrol of any agricultural products, all the Price Administrator has to do is to execute a ministerial act, namely, to decontrol. He has no discretion in the matter.

Mr. President, yesterday I gave a little information to the Senate with respect to what had happened between June 28 and July 5 with regard to certain prices. The information was taken from the Bureau of Labor Statistics and from the New York Journal of Commerce statistics. I wish to bring the figures up to July 8.

The general price index of 28 basic commodities increased 15 percent from May 17, 1943, to June 28, 1946. In a total of 3 years the index on 28 basic commodities increased 15 percent. From June 28 to July 8, the index on the same commodities increased 11.1 percent, almost as much in 8 days as the increase in price on the same articles in the 3 years from 1943 to 1946.

Mr. REVERCOMB. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. Does the Senator have the figures with respect to meat alone?

Mr. BARKLEY. No; I have not. I have only the figures for foodstuffs generally. I have figures with respect to 12 foodstuffs, which increased in price 14.6 percent in the 3 years from May 1943 to June 1946. In the past 10 days, from June 28 to July 8, the increase was 22.7 percent. The same articles of food which increased 14.6 percent in 3 years have increased 22.7 percent in 10 days—almost twice as much. Those figures are taken from the Bureau of Labor Statistics and the New York Journal of Commerce.

The index of 30 commodity prices increased 15.8 percent in 3 years prior to June 28. The increase since June 28 has been 11.1 percent.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KNOWLAND. Can the Senator give us any figures as to how much of that increase is represented by the dropping of subsidy payments?

Mr. BARKLEY. No. I am merely reading the figures given by the Bureau of Labor Statistics and the New York Journal of Commerce. They are not broken down with respect to subsidies.

In the 3 years from May 1943, to June 1946, prices of grains increased 39.3 percent; and they have increased 16.1 percent in the past 10 days. According to the New York Journal of Commerce index, prices of food as a whole decreased 1.6 percent in the same 3-year period.

They have increased 21.6 percent in the past 10 days.

Prices of textiles have not increased quite as much. Prices of metals have not increased quite as much; but the miscellaneous increases have been nearly four times as much in the 10 days from June 28 to July 8 as they were in the 3-year period to which I have referred.

So, Mr. President, it seems that if we are to judge by the past 10 days—whether we ought to do so, I am not able to say—if we are to judge by the increases in the cost of living which have taken place in the 10 days since the expiration of the OPA, how long will it be until all the increases in wages which have been granted to American working men are absorbed by increases in the cost of living, so that they will be either back where they were at the beginning of this year, or worse off than they were, and will again start the effort to increase their wages in order that they may have at least an equal opportunity, with respect to income and outgo, with that which they had when they received increases,

which have been given to them in the various processes under which they have been working since the first of this year?

I do not say that those things will take place; but if we and they were to be subjected to the controversies and stoppages in work with which we are familiar, most of which have now been settled, and if they were to be compelled to go back to the same conditions which impelled them to make those efforts from January to May or June, how could we guarantee that the same difficulties would not be repeated? If the possibility exists, ought we not take that into consideration in determining whether we shall abolish the OPA altogether, or whether we shall, by congressional enactment and stipulation, say that certain food products which make up a very large part of the cost of living for the average family shall have no further control exercised over them by the Government of the United States?

The Senator from Texas [Mr. O'DANIEL] has denounced the OPA. Other Senators have denounced the membership of the OPA as selfish men who desire to retain their jobs, and who are advocating continuation of the OPA in order that they may retain their jobs. I know of no top man in the OPA who could not make more money outside the OPA than in it. I know some of those men. One of them comes from my own State. The Administrator is an outstanding, honorable Kentuckian. That does not make him any better than other people, except in our estimation; but he is an honorable man. He is an able administrator. He certainly is an unselfish man. He did not seek to be appointed Administrator. He never sought any position to which he has been appointed. He has done the best he could, and in the short time he has been in charge he has done a constructive job in the administration of the OPA. I think he will continue to do so if the OPA is continued.

The statement has been made this afternoon that the OPA was conceived by a group of Communists. The OPA was established by an Executive order issued by Franklin D. Roosevelt, President of the United States. Was he a Communist? His reputation and name will live in the history of the American people long after most of us here have been forgotten. I had my disputes and differences with him. They were honest differences. Sometimes those differences were vehemently expressed. But I never lost respect for him, and I do not think he lost respect for me because of the disagreements we had now and then. In my opinion it is a travesty upon legislation and legitimate debate in what we call the greatest deliberative body in the world to charge on the floor of the Senate that he who conceived this agency and brought it into being by an Executive order which was later confirmed by an enactment of the Congress of the United States, by an overwhelming vote in the Senate and in the House of Representatives, and repeatedly extended, was acting as a part of a Communistic effort to destroy the American way of life.

Mr. President, I hope the substitute amendment will be defeated; and I hope that the amendment to which it is offered

as a substitute will, in turn, be rejected by the Senate.

Mr. THOMAS of Oklahoma. Mr. President, objection has been raised to my substitute amendment, for fear that it might effect such things as shoes, belts, watch fobs, baseballs, and leather envelopes such as the one I now hold in my hand. I am frank to say that such was not my intention, and therefore I now modify my amendment. I send the modification to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment as modified will be stated.

The LEGISLATIVE CLERK. In lieu of the amendment proposed by Mr. WHERRY (for himself and other Senators), on page 9, after line 14, it is proposed to insert the following:

Notwithstanding any provision of this act or otherwise, or any Executive order, no regulation, order, directive, or allocation shall be issued, made, or maintained (including directives for distribution or price schedules) with respect to livestock, poultry, or any raw product derived in whole or substantial part therefrom.

Mr. THOMAS of Oklahoma. Mr. President, I have submitted the modification to the substitute amendment so as to avoid the objection which has been raised by the Senator from Kentucky. If my modified amendment is adopted, it will mean that no product which might be termed a product of livestock or poultry or any raw product which might be processed from livestock or poultry can be placed under controls. Then such things as leather belts, shoes, watch fobs, chair seats, and things of that kind will be left to be fought over under the amendment which will be offered by the senior Senator from Ohio [Mr. TAFT], which will follow in due course of time.

Mr. MAGNUSON. Mr. President, I do not wish to detain the Senate in regard to this matter, and therefore I ask unanimous consent to have printed at this point in the RECORD a telegram which I have sent today to several constituents in my State regarding these amendments.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JULY 9, 1946.

Appreciate your wire re OPA. Considering all involved factors have decided vote for committee bill. Personally went into bill in detail on Senate floor yesterday regarding meat and dairy products. Received assurances on floor from BARKLEY and other assurances from proper parties that meat and dairy products can be decontrolled any time 30 days after passage under terms of bill upon proper showing to Secretary of Agriculture that supply equals domestic demand. Personally urged committee members when drawing bill this action be mandatory. This gives ample opportunity to make case and if data given me is correct cannot conceive any other action under terms of bill. Have discussed matter with Anderson personally. My general convictions are decontrol should not be legislatively specifically directed to any one item without decontrol other allied products in processing same. Sincerely believe if this were done by legislative edict complete abandonment all price control would result under present conditions. I am against that. Arrived at conclusion when agreed bill would give right for quick mandatory decontrol and additional authority make immediate price adjustments

stimulating production by Agriculture Department which better understands problem and must act on facts. Believe this more logical decontrol and better all around for meat and dairy industries and general welfare. Be assured will give every personal aid to problem toward achieving expeditious action. Controls should not be off until all facts are ascertained by independent body. Read BARKLEY's statements, they are logical and state accurately my position.

WARREN G. MAGNUSON,
United States Senator.

Mr. BARKLEY. Mr. President, let me trespass on the time of the Senate just long enough to say one word which I forgot to utter when I was on my feet. I am not interested in having any Member of the Senate go on record for or against anything in connection with the pending measure. I am not concerned with the process of putting someone on record here either one way or another in regard to it. I am not interested in placing any political party or the members of any political party, either my own or any other, on record merely for the sake of placing them on record for any future effect which it might have on them or on others, in regard to or in connection with this measure.

I tried as best I could to help write a bill which would meet with the approval of the President. As everyone knows, I urged the President to approve the bill which the Congress enacted.

Now I am trying to do the same thing again. I have every hope that the joint resolution as it is now presented, if it is enacted without substantial mutilation, will meet with the approval of the President. I base that hope upon my general understanding of the attitude of the President, as well as my understanding of the veto message.

If we are to have any legislation at all, the Congress and the President must get together. There must be a meeting of the minds at the two ends of Pennsylvania Avenue, or else we shall have a legislative stalemate.

If this measure is enacted, I shall again urge the President to approve it; and on the theory that lightning never strikes twice in the same place, I would hope that my urging would have more effect in the future than it has had in the past. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Oklahoma [Mr. THOMAS] in the nature of a substitute for the amendment proposed by the Senator from Nebraska [Mr. WHERRY] for himself and other Senators.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. BRIDGES (after having voted in the negative). I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Indiana [Mr. CAPEHART], and allow my vote to stand.

Mr. PEPPER. The Senator from Idaho [Mr. TAYLOR] has communicated to me that he is unable to reach the Chamber in time to be recorded on this question. He has requested me to announce that if

present he would vote "nay" on this amendment.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from Idaho [Mr. Gossett] and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

On this question the Senator from North Carolina [Mr. BAILEY] is paired with the Senator from Texas [Mr. CONNALLY]. If present and voting the Senator from North Carolina would vote "nay," and the Senator from Texas would vote "yea."

I also announce that if present and voting, the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 25, nays 51, as follows:

YEAS—25

Andrews	Hawkes	Taft
Ball	Langer	Thomas, Okla.
Brooks	McCarran	Wherry
Buck	Millikin	Wiley
Bushfield	Moore	Willis
Cordon	O'Daniel	Wilson
Donnell	Robertson	Young
George	Stewart	
Gurney	Swift	

NAYS—51

Aiken	Hart	Mitchell
Austin	Hayden	Murdock
Barkley	Hill	Murray
Bridges	Hoey	Myers
Briggs	Huffman	O'Mahoney
Burch	Johnson, Colo.	Overton
Byrd	Johnston, S. C.	Pepper
Capper	Kilgore	Radcliffe
Carville	Knowland	Reed
Chavez	La Follette	Revercomb
Downey	Lucas	Russell
Eastland	McClellan	Smith
Ferguson	McKellar	Stanfill
Fulbright	McMahon	Tunnell
Gerry	Magnuson	Wagner
Green	Maybank	Walsh
Guffey	Mead	White

NOT VOTING—20

Bailey	Gossett	Taylor
Bilbo	Hatch	Thomas, Utah
Brewster	Hickenlooper	Tobey
Butler	McFarland	Tydings
Capehart	Morse	Vandenberg
Connally	Saltontall	Wheeler
Ellender	Shipstead	

So the modified amendment of Mr. THOMAS of Oklahoma in the nature of a substitute for the amendment proposed by Mr. WHERRY, for himself and other Senators, was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] on behalf of himself and other Senators, on page 9, after line 14. On this question the yeas and nays having been demanded and ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Indiana [Mr. CAPEHART] and will vote. I vote "yea."

The roll call was concluded.

Mr. MAGNUSON. I announce that the Senator from Washington [Mr. MITCHELL] is unavoidably detained from the Chamber. On this question he is paired with the Senator from Montana [Mr. WHEELER]. If present and voting the Senator from Washington would vote "nay" and the Senator from Montana would vote "yea."

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senators from Idaho [Mr. Gossett] and Mr. TAYLOR and the Senator from Utah [Mr. THOMAS] are unavoidably detained.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

On this question the Senator from North Carolina [Mr. BAILEY] is paired with the Senator from Texas [Mr. CONNALLY]. If present and voting, the Senator from North Carolina would vote "nay," and the Senator from Texas would vote "yea."

On this question the Senator from Arizona [Mr. McFARLAND] is paired with the Senator from Idaho [Mr. TAYLOR]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Idaho would vote "nay."

If present and voting, the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy. If present, he would vote "yea."

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies. The Senator from Nebraska would vote "yea," if present.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Oregon [Mr. MORSE] are necessarily absent. If present, both of those Senators would vote "yea."

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate. If present, he would vote "yea."

The result was announced—yeas 49, nays 26, as follows:

YEAS—49

Aiken	Hart	Robertson
Andrews	Hawkes	Russell
Austin	Johnson, Colo.	Smith
Ball	Johnston, S. C.	Stanfill
Bridges	Knowland	Stewart
Brooks	Langer	Swift
Buck	McCarran	Taft
Bushfield	McClellan	Thomas, Okla.
Capper	Maybank	Tobey
Carville	Millikin	Wherry
Cordon	Moore	White
Donnell	O'Daniel	Wiley
Eastland	O'Mahoney	Willis
Ferguson	Overton	Wilson
George	Radcliffe	Young
Gerry	Reed	
Gurney	Revercomb	

NAYS—26

Barkley	Hayden	Magnuson
Briggs	Hill	Mead
Burch	Hoey	Murdock
Byrd	Huffman	Myers
Chavez	Kilgore	Pepper
Downey	La Follette	Tunnell
Fulbright	Lucas	Wagner
Green	McKellar	Walsh
Guffey	McMahon	

NOT VOTING—21

Balley	Gossett	Saltonstall
Bilbo	Hatch	Shipstead
Brewster	Hickenlooper	Taylor
Butler	McFarland	Thomas, Utah
Capehart	Mitchell	Tydings
Connally	Morse	Vandenberg
Ellender	Murray	Wheeler

So the amendment of Mr. WHERRY in behalf of himself and other Senators was agreed to.

Mr. EASTLAND obtained the floor.

Mr. WHERRY. Mr. President—

Mr. REED. Mr. President, I wish to move to reconsider the vote on the amendment just agreed to.

Mr. EASTLAND. Mr. President, I have the floor.

Mr. BARKLEY. The Senator from Nebraska need not worry; there is going to be no motion to reconsider.

Mr. WHERRY. Mr. President, do I have the floor?

Mr. EASTLAND. A point of order.

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. EASTLAND. I offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The Clerk will state the amendment offered by the Senator from Mississippi.

The LEGISLATIVE CLERK. On page 9, after line 14, it is proposed to insert the following:

(7) Maximum prices established or maintained for products manufactured or processed in whole or major part from cottonseed shall be sufficient to reflect to the producers of such cottonseed a price increase equal to the average percentage increase in the support prices allowed to other principal competing vegetable-oil seeds by the Commodity Credit Corporation since August 1, 1942, after making allowance for the manufacturing or processing margin fixed by the Commodity Credit Corporation in its 1942 cottonseed program adjusted for increased costs accruing since August 1, 1942.

Mr. EASTLAND. Mr. President, as I understand, we are about to recess. I merely wish to make the amendment the pending question.

Mr. BARKLEY. Mr. President, I indicated before the vote that if we disposed of the Thomas and Wherry amendments I should be disposed to shorten the session for today. I propose to carry out that suggestion.

Mr. WHERRY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I might say that when the suggestion was made that we vote on the Thomas and Wherry amendments, which were the pending matters, I did not include the other Wherry amendment, which pertains to milk. I have no objection, if it is agreeable to the Senator from Mississippi; that we dispose of that, after which he can offer his amendment so that it will be the pending question.

Mr. EASTLAND. Mr. President, the amendment I have offered will lead to considerable discussion.

Mr. BARKLEY. If that is the case, it is an additional argument for letting us vote on the other amendment. I was assuming there would be no argument about the other amendment, which pertains to milk. I do not know whether the Senator from Nebraska desires to discuss the amendment.

Mr. WHERRY. Mr. President, when I presented the amendments I made the statement to several Senators that immediately after the meat amendment was disposed of we would bring up the milk amendment. I should like very much to keep faith with the statement I made last Friday. I hope the Senator from Mississippi will let us proceed with the milk amendment. I am perfectly agreeable to wait until tomorrow morning to take it up, but we can take it up now. However, I should much prefer to take it up tomorrow morning. I hope the distinguished Senator from Mississippi will let us proceed with the milk amendment. It is really a part of the two amendments in which we are all interested. I beg of the distinguished Senator to let us take up the milk amendment now and make it the pending question tomorrow, and proceed with it, if he is so inclined.

Mr. MURDOCK. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I yield.

Mr. MURDOCK. It was my understanding, in talking to the distinguished majority leader, that we were all set for a night session, and that we were going to do everything possible to get as far along with the joint resolution as possible tonight. After having made that announcement, I do not know what his arrangements with others were.

Mr. BARKLEY. I made that announcement yesterday in order that we might make progress today.

Mr. MURDOCK. I have governed myself accordingly, and expected we would go on with a night session.

Mr. BARKLEY. It seems utterly impossible for me to make any announcement that satisfies everyone with respect to a night session. I did announce yesterday that we would try to have a night session tonight. Before the vote was taken on the other two amendments I suggested that if we could get a vote and dispose of those amendments I should be disposed to shorten the session and not have a night session. I do not care to inconvenience any Senator, and that applies to any arrangements Senators have made for evening engagements, and applies also to any Senator who canceled any engagement he had because of a prospective night session.

I am perfectly willing to remain here as long as any other Senator will stay, but I felt that, if we got rid of the amendments on which we have voted, we might very well forego a session tonight. But, if that is not satisfactory to the Senate, I am perfectly willing to cancel the cancellation.

Mr. HAWKES. Mr. President, I send to the desk an amendment I intend to propose to the pending joint resolution, and ask that it be printed and lie on the table, to be taken up at the proper time.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

Mr. HOEY. Mr. President, I wish to ask unanimous consent to take up two District of Columbia bills which are uncontroverted and will take only a moment or two.

Mr. WHERRY. Mr. President, may I ask the distinguished majority leader if we are to proceed with the session at

this time? If we are, I should like very much to take up the milk amendment, and I can assure the Senators there will be very little debate on it.

Mr. BARKLEY. The Senator from Mississippi has offered an amendment which is the pending question, and unless he is willing to withdraw that temporarily, I have no control over the matter.

Mr. WHERRY. Let us vote on it.

Mr. BARKLEY. The Senator from Mississippi may wish to discuss it. It is a new proposal, which has not been discussed, and he is entitled to discuss if he wishes to do so.

The PRESIDENT pro tempore. The Senator from North Carolina was recognized.

Mr. HOEY. I yielded to the Senator from Kentucky?

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. Who is entitled to the floor?

The PRESIDENT pro tempore. The Senator from Kentucky had the floor, and yielded to the Senator from North Carolina.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senator from Mississippi be permitted to withdraw his amendment temporarily, that the Senator from Nebraska offer his amendment on the subject of milk, and that the Senate proceed to vote on the Wherry milk amendment at not later than 15 minutes from the time it is read at the desk.

The PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. I am glad to comply with that suggestion.

Mr. CHAVEZ. Mr. President, I object. I am interested in the amendment of the Senator from Mississippi, which was read.

Mr. BARKLEY. It is not proposed to vote on that amendment tonight. It will go over until tomorrow, and will be discussed.

Mr. CHAVEZ. I do not see that the amendment of the Senator from Nebraska is any more important than that of the Senator from Mississippi.

Mr. BARKLEY. I am not contending that it is, but it was associated with the meat and poultry situation. They all might have been offered as one amendment, and I never understood why they were not.

Mr. TOBEY. I agree with the Senator.

Mr. BARKLEY. Mr. President, unless we can get some agreement in short order, I intend to move that the Senate take a recess.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TOBEY. Mr. President, I should like to direct my remarks to the Senator from New Mexico [Mr. CHAVEZ], to explain to him the situation in which we find ourselves.

It was the wish and desire of many of us who were interested in the matter of milk controls that the amendment affecting milk be embodied in the Wherry amendment covering meat. The Senator from Nebraska thought that was not the wiser policy, and his wishes prevailed. It was understood, in conference with him,

by those interested in the question of milk, that immediately upon the adoption of his amendment the milk amendment would be taken up. He was not recognized, because the Senator from Mississippi [Mr. EASTLAND] was on his feet, and offered his amendment, to be taken up tomorrow morning.

Therefore I point out to the Senator from New Mexico that all we are asking now, in view of the fact that the amendment of the Senator from Mississippi will be taken up tomorrow morning, is that we be allowed to vote, with only 15 minutes debate, on the milk amendment, and that after that the majority leader will move that the Senate take a recess until tomorrow morning, at which time, in accordance with the original request of the Senator from Mississippi, we will take up his amendment. So that the rights of no one would be interfered with. We would merely dispose of a matter which has been before us, and on which the Senate will be recorded. So I ask, as a courtesy from the Senator, that he let the milk amendment be brought up now.

Mr. CHAVEZ. Mr. President, I delay the Senate as little as any Member of this body. I am also interested in the amendment of the Senator from Mississippi, and I cannot see any particular difference whether we vote on the Wherry milk amendment tomorrow morning or tonight. The joint resolution is not going to be passed anyway. I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. WHERRY. Mr. President, I should like to ask the majority leader if he will not request the distinguished Senator from Mississippi to withdraw his amendment.

Mr. EASTLAND. Mr. President, I will not withdraw the amendment.

Mr. BARKLEY. Mr. President, the request which I made, to which objection was interposed, was that the Senator

from Mississippi be permitted to withdraw his amendment temporarily with the understanding that he would offer it immediately upon a vote being had on the milk amendment of the Senator from Nebraska. That would not deprive any Senator of his rights. It would merely result in bringing about a vote upon a related matter, a matter which is akin, as many Senators believe, to the amendment upon which a vote has just been taken. It was a question of which Senator rose to his feet first and which Senator was recognized first. If the Senator from Nebraska had been recognized and had offered the milk amendment, we might have voted on it by now, and the Senator from Mississippi would then have offered his amendment, and we could vote on it tomorrow.

I do not see that any Senator would be prejudiced by the request which I made. I realize that unless the Senator from Mississippi would withdraw his amendment temporarily there would be no chance to bring the other amendment, that is the milk amendment, in ahead of it. I do not want to deprive the Senator from Mississippi of any right. He knows that, I am sure.

Mr. EASTLAND. Of course, I know the distinguished majority leader would not desire to deprive any Senator of any of his rights. I do not withdraw my amendment.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Rear Adm. Harold G. Bowen, United States Navy, to be a vice admiral in the Navy, for temporary service; and

Sundry officers for appointment in the United States Marine Corps.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 13 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, July 10, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 9 (legislative day of July 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Robert Butler, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

J. Leighton Stuart, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to China.

FARM CREDIT ADMINISTRATION

LAND BANK COMMISSIONER

James R. Isleib, of Texas, to be Land Bank Commissioner in the Farm Credit Administration.

COLLECTOR OF CUSTOMS

William H. Bartley to be collector of customs for customs collection district No. 33, with headquarters at Great Falls, Mont. (Re-appointment.)

SELECTIVE SERVICE SYSTEM

John E. Tracey for appointment as Assistant Chief, Appointments and Personnel Division, national headquarters, Selective Service System, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

Compensation for the position of Assistant Chief, Appointments and Personnel Division, national headquarters, Selective Service System, will be at the rate of \$6,623.40 per annum.

House of Representatives

TUESDAY, JULY 9, 1946

The House met at 10 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Most merciful and gracious God, who hast called us to be coworkers with Thee in building a better world, we pray that we may confidently and courageously lay hold of those spiritual ideals and principles which Thou hast revealed unto us.

Grant that daily we may have a profounder and more vivid sense of their vitality and validity. Show us how they may be implemented. May nothing divide or distract our loyalty or tempt us to break faith with them.

We pray that Thou will take our groping and faltering spirits and illumine them with Thy spirit and may it become the master light of all our seeing and all our understanding. May we covet more earnestly and eagerly the fellowship of Thy presence and the endowment of Thy power as we strive to learn the secret of a life that is joyous and serene.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 70. Concurrent resolution to further extend the time for filing the report, together with the powers and functions, of the Joint Committee to Investigate the Pearl Harbor Attack.

TRADE-MARK REGISTRATION

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3424) to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 15, after "act", insert "": *And provided further*, That the benefits of this act shall not extend to nationals of any enemy country with which the United States was at war in World War II."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

CORRECTION OF ROLL CALL

Mr. WALTER. Mr. Speaker, on roll call No. 201, I was erroneously recorded

as not having voted. I was present and voted "yea." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Without objection, the permanent RECORD and Journal will be corrected accordingly.

There was no objection.

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial which appeared in the New York Times this morning.

Mr. FARRINGTON asked and was given permission to extend his remarks in two instances, in one to include a radio broadcast by Dr. Kim, of the Korean Institute, and in the other to include the record of the action taken by the National Education Association on statehood for Hawaii.

MILITARY ESTABLISHMENT APPROPRIATIONS, 1947

Mr. KERR. Mr. Speaker, I call up for consideration Senate amendment No. 27 in disagreement on the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the Senate amendment in disagreement, as follows:

Senate amendment No. 27, page 67, after line 3, insert:

"SEC. 21. Not to exceed 10 percent of any of the appropriations for the Military Establishment for the fiscal year 1947 may be transferred with the approval of the Bureau of the Budget to any other of such appropriations, but no appropriation shall be increased more than 10 percent thereby."

Mr. KERR. Mr. Speaker, I move that the House further insist on its disagreement to the amendment of the Senate numbered 27.

Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is a question that was passed upon by the House last week, by a very decided voice vote. It is a question as to whether or not we are going to delegate to the War Department the authority to make appropriation of funds. The only argument in favor of it was that there was a similar power given to the Navy Department. That is not the picture, because the Navy Department has its bill drawn in such shape that there is a detailed appropriation for every single item. The War Department bill is drawn in such shape that three major items and one smaller one are allowed to be accounted for as one fund. That is the finance service, including pay of the Army and subsistence, travel of the Army and transportation, and an enormous number of other expenses are all within that category, and transfers within that

category are permitted without limit. The item for the Quartermaster's service is in the same shape.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. WALTER. I agree entirely with what the gentleman says, except this: As I understand it, for the past 4 or 5 years at least, this transferability practice has been permitted. Now, without any notice whatever, it is to be discontinued. Does not the gentleman feel that for this year at least, with the definite understanding that it will not be continued, the practice should be permitted.

Mr. TABER. There is not any excuse for it whatever, because of this fact, that they can move their funds around within 8 or 10 items, in each case, amongst their larger appropriations. For instance, there is \$2,500,000,000 in this first item. In the Quartermaster item there is a billion dollars. In the engineer service there is another billion. That means that more than half of the whole Army appropriation is subject to that transferability, without any operation on the part of the Congress at all. They do not need it. We ought not put it where they will use up all the money that they have appropriated instead of where we appropriate the money.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. KERR. Mr. Speaker, I yield myself 1 minute for the purpose of pointing out that this provision was put on the bill during war. If justifiable then, it was only as an emergency feature. It is not necessary now. As was said by the distinguished gentleman from New York, there are other funds which could be used if it is necessary. Thus, it is indefensible and ought to be stricken out.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KERR. I yield.

Mr. RICH. Does not the gentleman think we have been too free and generous with these great departments of government, the Army and Navy? They require the greatest amount of money that has ever been appropriated by Congress. That may have been necessary during war time but certainly is not necessary during peace time, and unless we do something to hold these men down within limits, I do not know how the taxpayers are ever going to balance the Budget and keep this Government from going in the red. Certainly we ought to tighten up on those fellows. I hope the gentleman will insist on this amendment.

Mr. KERR. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion that the House further insist.

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 9 (legislative day, JULY 5), 1946

Ordered to be printed

AMENDMENT

Proposed by Mr. EASTLAND (for himself and Mr. RUSSELL) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 9, after line 14, insert the following:

1 (7) Maximum prices established or maintained for
2 products manufactured or processed in whole or major part
3 from cottonseed shall be sufficient to reflect to the producers
4 of such cottonseed a price increase equal to the average
5 percentage increase in the support prices allowed to other
6 principle competing vegetable oil seeds by the Commodity
7 Credit Corporation since August 1, 1942, after making
8 allowance for the manufacturing or processing margin fixed
9 by the Commodity Credit Corporation in its 1942 cotton-
10 seed program adjusted for increased costs accruing since
11 August 1, 1942.

AMENDMENT

Proposed by Mr. EASTLAND (for himself and Mr. RUSSELL) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 9 (legislative day, JULY 5), 1946

Ordered to be printed

79TH CONGRESS
2^D SESSION

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 9 (legislative day, JULY 5), 1946
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. HAWKES to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz:

1 On page 16, line 14, after "SEC. 5." insert "(a)".

2 On page 17, after line 2, insert the following new sub-
3 section:

4 (b) Section 2 (b) of the Emergency Price Control
5 Act of 1942, as amended, is amended by adding at the end
6 thereof a new paragraph as follows:

7 "The Administrator shall authorize an increase of 5 per
8 centum, effective on and after the date of enactment of the
9 Price Control Extension Act of 1946, in the maximum rent

1 in effect on June 30, 1946, in all defense-rental areas. On
 2 November 30, 1946, the Administrator shall authorize a
 3 further increase of 5 per centum in the maximum rent in
 4 effect on that date in all defense-rental areas. On March
 5 31, 1947, the Administrator shall authorize a further increase
 6 of 5 per centum in the maximum rent in effect on that date
 7 in all defense-rental areas."

79TH CONGRESS
 2D Session

H. J. RES. 371

AMENDMENTS

Intended to be proposed by Mr. Hawkes to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

July 9 (legislative day, July 5), 1946

Ordered to lie on the table and to be printed

79TH CONGRESS
2^D SESSION

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 9 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. KNOWLAND (for himself and Mr. FERGUSON) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: At the proper place in the joint resolution insert the following new section:

1 SEC. . (a) Whenever any State, or political subdivi-
2 sion thereof, has established provisions for the control and
3 regulation of the rent of housing accommodations within its
4 boundaries and notifies the Administrator that such regula-
5 tion and control are in effect, no provision of the Emergency
6 Price Control Act of 1942, as amended, and no regulations,
7 orders, or requirements thereunder (except as to offenses
8 committed prior thereto), relating to the establishment and

1 maintenance of maximum rents under such Act, as amended,
2 shall be applicable within such State or political subdivision,
3 as the case may be.

4 (b) The Administrator is authorized and directed to
5 cooperate with any such State or political subdivision to
6 the fullest extent; and, to that end, he shall make available
7 to the proper officials of such State or political subdivision
8 such records and other information in his possession which
9 may be requested by such State or political subdivision to
10 enable it to effectively control and regulate such rents.

AMENDMENT

Intended to be proposed by Mr. KNOWLAND
(for himself and Mr. FERGUSON) to the
joint resolution (H. J. Res. 371) extending
the effective period of the Emergency Price
Control Act of 1942, as amended, and the
Stabilization Act of 1942, as amended.

JULY 9 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 9 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. O'DANIEL to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: At the end of the joint resolution add a new section as follows:

1 FINDINGS AND DECLARATION OF POLICY

2 SECTION 1. The Congress finds that the practice of
3 denying employment opportunities to, and discriminating in
4 employment against, properly qualified persons by reason of
5 their race, creed, color, national origin, or ancestry, foment
6 domestic strife and unrest, deprives the United States of the
7 fullest utilization of its capacities for production, endangers
8 the national security and the general welfare, and adversely
9 affects commerce.

1 It is hereby declared to be the policy of the United
2 States to eliminate such discrimination in all employment
3 relations which fall within the jurisdiction or control of the
4 Federal Government as hereinafter set forth.

5 RIGHT TO FREEDOM FROM DISCRIMINATION IN
6 EMPLOYMENT

7 SEC. 2. The right to work and to seek work without
8 discrimination because of race, creed, color, national origin,
9 or ancestry is declared to be an immunity of all citizens of
10 the United States, which shall not be abridged by any State
11 or by an instrumentality or creature of the United States or
12 of any State.

13 UNFAIR EMPLOYMENT PRACTICES DEFINED

14 SEC. 3. (a) It shall be an unfair employment prac-
15 tice for any employer within the scope of this Act—

16 (1) to refuse to hire any person because of such
17 person's race, creed, color, national origin, or ancestry;

18 (2) to discharge any person from employment be-
19 cause of such person's race, creed, color, national origin,
20 or ancestry;

21 (3) to discriminate against any person in com-
22 pensation or in other terms or conditions of employment
23 because of such person's race, creed, color, national
24 origin, or ancestry; and

25 (4) to confine or limit recruitment or hiring of

persons for employment to any employment agency, placement service, training school or center, labor union or organization, or any other source that discriminates against persons because of their race, color, creed, national origin or ancestry.

(b) It shall be an unfair employment practice for any labor union within the scope of this Act—

(1) to deny full membership rights and privileges to any person because of such person's race, creed, color, national origin, or ancestry;

(2) to expel from membership any person because of such person's race, creed, color, national origin, or ancestry; or

(3) to discriminate against any member, employer or employee because of such person's race, creed, color, national origin or ancestry.

(c) It shall be an unfair employment practice for any employer or labor union within the scope of this Act to discharge, expel, or otherwise discriminate against any person because he has opposed any practices forbidden by this Act or because he has filed a charge, testified, or assisted in any proceeding under this Act.

SCOPE OF ACT

SEC. 4. (a) This Act shall apply to any employer having in his employ six or more persons, who is (1)- engaged in

1 interstate or foreign commerce or in operations affecting such
2 commerce; (2) under contract with the United States or any
3 agency thereof or performing work, under subcontract or
4 otherwise, called for by a contract to which the United
5 States or any agency thereof is a party, awarded, negotiated,
6 or renegotiated as hereinafter provided in section 13 of this
7 Act.

8 (b) This Act shall apply to any labor union which has
9 six or more members who are engaged in interstate or for-
10 eign commerce or in operations affecting such commerce or
11 employed by the United States or any Territory, insular
12 possession, or instrumentality thereof.

13 (c) This Act shall apply to the employment practices
14 of the United States and of every Territory, insular posses-
15 sion, agency, or instrumentality thereof, except that para-
16 graphs (e) and (f) of section 10, providing for petitions
17 for enforcement and review, shall not apply in any case
18 in which an order has been issued against any department
19 or independent agency of the United States; but in any such
20 case the Fair Employment Practice Commission established
21 by section 5 of this Act may petition the President for the
22 enforcement of any such lawful order, and it shall there-
23 upon be the duty of the President to take such measures as
24 may secure obedience to any such order. Every officer,

1 agent, or employee who willfully violates any such order
2 shall be summarily discharged from the Government employ.

3 FAIR EMPLOYMENT PRACTICE COMMISSION

4 SEC. 5. For the purpose of securing enforcement of the
5 foregoing rights and preventing unfair employment practices
6 on the part of employers and labor unions, there is hereby
7 established a commission to be known as the Fair Employ-
8 ment Practice Commission, which shall consist of a Chairman
9 and four additional members to be appointed by the Presi-
10 rent, by and with the advice and consent of the Senate, who
11 shall serve for a term of five years except that the terms of
12 the members originally appointed shall expire seriatim at
13 intervals of one year. Any member of the Commission may
14 be removed by the President, upon notice and hearing, for
15 neglect of duty or malfeasance in office, but for no other
16 cause. Three members of the Commission shall at all times
17 constitute a quorum.

18 REPORTS

19 SEC. 6. The Commission shall at the close of each fiscal
20 year make a report in writing to the Congress and to the
21 President concerning the cases it has heard, the decisions it
22 has rendered, the names, salaries, and duties of all employees
23 and officers in the employ or under the supervision of the
24 Commission, and an account of all moneys it has disbursed

1 and shall make such further reports on the cause of, and
2 means of alleviating discrimination, and such recommenda-
3 tions for further legislation as may appear desirable.

4 SALARIES

5 SEC. 7. Each member of the Commission shall receive
6 a salary of \$10,000 a year, shall be eligible for reappoint-
7 ment, and shall not engage in any other business, vocation,
8 or employment.

9 TERMINATION OF COMMITTEE ON FAIR EMPLOYMENT

10 PRACTICE

11 SEC. 8. Upon the appointment of the members of the
12 Commission, the Committee on Fair Employment Practice,
13 established by Executive Order Numbered 9346 of May 27,
14 1943, shall cease to exist. All employees of the said Com-
15 mittee shall be transferred to and become employees of the
16 Commission. All records, papers, and property of the Com-
17 mittee shall pass into the possession of the Commission, and
18 all unexpended funds and appropriations for the use and
19 maintenance of the Committee shall be available to the
20 Commission.

21 LOCATION OF OFFICES

22 SEC. 9. The Commission shall hold its sessions in the
23 District of Columbia and at such other places as it may
24 designate. The Commission may, by one or more of its
25 members or by such referees, agents, or agencies as it may

1 designate, prosecute any inquiry or conduct any hearing
2 necessary to its functions in any part of the United States
3 or any Territory or insular possession thereof.

4 PROHIBITION OF UNFAIR EMPLOYMENT PRACTICES

5 SEC. 10. (a) The Commission is empowered as herein
6 provided to prohibit any person from engaging in any unfair
7 employment practices within the scope of this Act.

8 (b) Whenever it is alleged that any person has engaged
9 in any such unfair employment practice, the Commission,
10 or any referee, agent, or agency designated by the Commis-
11 sion for such purposes, shall have power to issue and cause
12 to be served upon such person a complaint stating the charges
13 in that respect and containing a notice of hearing before the
14 Commission or a member thereof, or before a designated
15 referee, agent, or agency at a place therein fixed not less
16 than ten days after the serving of said complaint.

17 (c) The person so complained of shall have the right
18 to file an answer to such complaint and to appear in person
19 or otherwise, with or without counsel, and give testimony
20 at the place and time fixed in the complaint.

21 (d) If upon the record, including all the testimony
22 taken, the Commission shall find that any person named in
23 the complaint has engaged in any such unfair employment
24 practice, the Commission shall state its findings of fact and
25 shall issue and cause to be served on such person an order

1 requiring such person to cease and desist from such unfair
2 employment practice and to take such affirmative action,
3 including reinstatement or hiring of employees with or with-
4 out back pay, as will effectuate the policies of this Act. If
5 upon the record, including all the testimony taken, the Com-
6 mission shall find that no person named in the complaint has
7 engaged in any such unfair employment practice, the Com-
8 mission shall state its findings of fact and shall issue an order
9 dismissing the said complaint.

10 (e) The Commission shall have power to petition any
11 circuit court of appeals of the United States (including the
12 United States Court of Appeals for the District of Colum-
13 bia) or, if all the circuit court of appeals to which applica-
14 tion might be made are in vacation, any district court of the
15 United States, within any circuit or district, respectively,
16 wherein the unfair employment practice in question occurred,
17 or wherein such person resides or transacts business, for the
18 enforcement of such order and for appropriate temporary
19 relief or restraining order and shall certify and file in the
20 court to which petition is made a transcript of the entire
21 record in the proceeding, including the pleadings and testi-
22 mony upon which such order was entered and the findings
23 and the order of the Commission. Upon such filing, the
24 court to which petition is made shall conduct further pro-
25 ceedings in conformity with the procedures and limitations

1 established by law governing petitions for enforcement of
2 the orders of the National Labor Relations Board.

3 (f) Any person aggrieved by a final order of the Com-
4 mission granting or denying in whole or in part the relief
5 sought may obtain a review of such order in any circuit
6 court of appeals of the United States (including the United
7 States Court of Appeals for the District of Columbia) within
8 any circuit wherein the unfair employment practice in ques-
9 tion was alleged to have occurred or wherein such person
10 resides or transacts business by filing in such court a written
11 petition praying that the order of the Commission be modi-
12 fied or set aside. Upon such filing, the reviewing court
13 shall conduct further proceedings in conformity with the
14 procedures and limitations established by law governing
15 petitions for review of the orders of the National Labor
16 Relations Board.

17 INVESTIGATORY POWERS

18 SEC. 11. (a) For the purpose of all hearings and in-
19 vestigations which in the opinion of the Commission are
20 necessary and proper for the exercise of the powers vested
21 in it by this Act, the Commission, or its duly authorized
22 agents or agencies, shall at all reasonable times have access
23 to, for the purpose of examination, and the right to copy
24 any evidence of any person being investigated or proceeded

1 against that relates to any matter under investigation or in
2 question. Any member of the Commission shall have
3 power to issue subpoenas requiring the attendance and testi-
4 mony of witnesses and the production of any evidence that
5 relates to any matter under investigation or in question, be-
6 fore the Commission, its member, agent, or agency con-
7 ducting the hearing or investigation. Any member of the
8 Commission, or any agent or agency designated by the
9 Commission for such purposes, may administer oaths and
10 affirmations, examine witnesses, and receive evidence. Such
11 attendance of witnesses and the production of such evidence
12 may be required from any place in the United States or any
13 Territory or possession thereof, at any designated place of
14 hearing.

15 (b) In case of contumacy or refusal to obey a subpoena
16 issued to any person, any district court of the United States
17 or the United States courts of any Territory or possession,
18 or the District Court of the United States for the District of
19 Columbia, within the jurisdiction of which the inquiry is car-
20 ried on or within the jurisdiction of which said person guilty
21 of contumacy or refusal to obey is found or resides or
22 transacts business, upon application by the Commission shall
23 have jurisdiction to issue to such person an order requiring
24 such person to appear before the Commission, its member,
25 agent, or agency, there to produce evidence if so ordered,

1 or there to give testimony touching the matter under in-
2 vestigation or in question; and any failure to obey such
3 order of the court may be punished by said court as a con-
4 tempt thereof.

5 (c) No person shall be excused from attending and
6 testifying or from producing books, records, correspondence,
7 documents, or other evidence in obedience to the subpoena
8 of the Commission, on the ground that the testimony or
9 evidence required of him may tend to incriminate him or
10 subject him to a penalty or forfeiture; but no individual
11 shall be prosecuted or subjected to any penalty or forfeiture
12 for or on account of any transaction, matter, or thing con-
13 cerning which he is compelled, after having claimed his
14 privilege against self-incrimination, to testify or produce evi-
15 dence, except that such individual so testifying shall not be
16 exempt from prosecution and punishment for perjury com-
17 mitted in so testifying.

18 RULES AND REGULATIONS

19 SEC. 12. The Commission shall have authority from time
20 to time to make, amend, and rescind such regulations as may
21 be necessary to carry out the provisions of this Act. Such
22 regulations shall be effective sixty days after transmission
23 to the Congress unless the Congress has in the interim
24 amended or nullified such regulations by appropriate legis-
25 lation or has adjourned within thirty days after the submis-

1 sion of such regulations. Such regulations shall include the
2 procedure for service and amendment of complaints, for
3 intervention in proceedings before the Commission; for the
4 taking of testimony and its reduction to writing, for the
5 modification of the findings or orders prior to the filing of
6 records in court, for the service and return of process and
7 fees of witnesses, and with respect to the seal of the Com-
8 mission, which shall be judicially noticed, the payment of
9 expenses of members and employees of the Commission, the
10 qualification and disqualification of members and employees
11 and any other matters appropriate in the execution of the
12 provisions of this Act.

13 GOVERNMENT CONTRACTS

14 SEC. 13. (a) All contracting agencies of the Govern-
15 ment of the United States shall include in all contracts here-
16 after awarded, negotiated, or renegotiated by them, except
17 such classes of contracts as may be exempted from the scope
18 of this provision by regulation adopted pursuant to section
19 12 of this Act, a provision obligating the contractor not to
20 discriminate against any employee or applicant for employ-
21 ment because of race, creed, color, national origin, or ancestry,
22 and requiring him to include a similar provision in all sub-
23 contracts.

24 (b) No contract shall be awarded or executed by the
25 United States or any agency thereof to any person found by

1 the Commission to have violated any of the provisions of this
2 Act or to any firm, corporation, partnership, or association
3 in which such person has a controlling interest, for a period
4 to be fixed by the commission not to exceed three years
5 from the date when the Commission determines such viola-
6 tion to have occurred. The Commission may by subsequent
7 order, for good cause shown, reduce any period so fixed.
8 The Comptroller General is authorized and directed to dis-
9 tribute a list to all agencies of the United States containing
10 the names of such persons.

11 WILLFUL INTERFERENCE WITH COMMISSION AGENTS

12 SEC. 14. Any person who shall willfully resist, prevent,
13 impede, or interfere with any member of the Commission
14 or any of its referees, agents, or agencies, in the performance
15 of duties pursuant to this Act, shall be punished by a fine of
16 not more than \$5,000 or by imprisonment for not more than
17 one year, or both.

18 SEPARABILITY CLAUSE

19 SEC. 15. If any provision of this Act or the application
20 of such provision to any person or circumstance shall be
21 held invalid, the remainder of such Act or the application
22 of such provision to persons or circumstances other than
23 those to which it is held invalid shall not be affected thereby.

24 DEFINITIONS

25 SEC. 16. (1) The term "person" includes one or more

1 individuals, partnerships, associations, corporations, legal
2 representatives, trustees, trustees in bankruptcy, or receivers.

3 (2) The term "employer" includes any person acting
4 in the interest of any employer, directly or indirectly, and
5 includes the United States and every Territory, insular pos-
6 session, and agency or instrumentality thereof.

7 (3) The term "labor union" includes any organization
8 in which employees participate and which exists for the
9 purpose, in whole or in part, of dealing with employers con-
10 cerning the terms or conditions of employment.

11 (4) Unless otherwise specified, the term "Commission"
12 means the Fair Employment Practice Commission created
13 by section 5 of this Act.

14 (5) The term "Committee" means the Committee on
15 Fair Employment Practice established by Executive Order
16 Numbered 9346 of May 27, 1943.

17 (6) The term "commerce" means trade, traffic, com-
18 merce, transportation, or communication among the several
19 States, or between the District of Columbia or any Territory
20 of the United States and any State or other Territory or
21 between any foreign country and any State, Territory, or
22 the District of Columbia, or within the District of Columbia
23 or any Territory, or between points in the same State but
24 through any other State or Territory or the District of Co-
25 lumbia or any foreign country.

1 (7) The term “affecting commerce” means in com-
2 merce, or burdening or obstructing commerce or the free
3 flow of commerce, or having led or tending to lead to a labor
4 dispute burdening or obstructing commerce or the free flow
5 of commerce.

6 SEC. 17. This Act may be cited as the “Fair Employ-
7 ment Practice Act.”

AMENDMENT

Intended to be proposed by Mr. O'DANIEL to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 9 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 9 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. REED to the joint resolution (H. J. Res. 371), extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 9, between lines 14 and 15, insert a new paragraph as follows:

- 1 (7) No maximum price and no regulation or order
- 2 under this Act or the Stabilization Act of 1942, as amended,
- 3 shall be applicable with respect to grains for which standards
- 4 have been established under the United States Grain Stand-
- 5 ards Act, as amended, and products processed or manufac-
- 6 tured in whole or substantial part therefrom.

AMENDMENT

Intended to be proposed by Mr. REED to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 9 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 9 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. REED to the joint resolution (H. J. Res. 371), extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz:

1 On page 34, before the period at the end of line 20, in-
2 sert a colon and the following: "*Provided further*, That con-
3 tracts of sale entered into subsequent to June 30, 1946, and
4 prior to the date of enactment of this Act, to be fulfilled by
5 delivery not later than thirty days after such date of enact-
6 ment, shall not be subject to the provisions of the Emergency
7 Price Control Act of 1942, as amended, or any regulation,
8 order, or requirement thereunder".

79TH CONGRESS
2^D SESSION

H. J. RES. 371

AMENDMENT

Intended to be proposed by Mr. Reed to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 9 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 11, 1946
For actions of July 10, 1946
79th-2nd, No. 134

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HIGHLIGHTS: Senate debated price-control bill; agreed to Eastland amendment to prohibit cottonseed and soybean ceilings, agreed to Wherry amendment to prohibit milk ceilings, and rejected Reed amendment to prohibit grain ceilings. Senate committee reported various personnel bills relating to retirement, educational leave, appointment of veterans, and efficiency ratings. House Rules Committee cleared bill to authorize 3 additional Assistant Secretaries of Commerce. Rep. Johnson (Okla.) criticized USDA's requirement of sale of $\frac{1}{2}$ of all wheat delivered to elevators to the Government.

SENATE

1. PRICE CONTROL. Continued debate on H. J. Res. 371, to continue and amend the Price Control and Stabilization Acts (pp. 8661-83, 8691-711). Agreed, 42-34, to the revised Eastland amendment to prohibit price ceilings on cottonseed or soybeans or their products (pp. 8664-6). Agreed, 51-27, to the Wherry amendment prohibiting ceilings on milk or its food or feed products (pp. 8666-82). Rejected, 32-40, the Reed amendment to prohibit ceilings on most grains and their products (pp. 8682-3, 8691-705).
2. PERSONNEL. The Civil Service Committee reported the following bills(p. 8657):
 - S. 1835, to provide for uniform administration of efficiency ratings; with amendment (S. Rept. 1677).
 - S. 2183, to authorize department heads to grant educational leave with pay to scientific, technical, and professional employees, not to exceed 18 months in any 10-year period; with amendments (S. Rept. 1676).
 - S. 2366, to provide for immediate retirement of employees separated through no fault of their own after 25 years of service if they are at least 55; with amendment (S. Rept. 1678).
 - H. R. 5831, to include department heads under the Civil Service Retirement Act; without amendment (S. Rept. 1679).
 - H. R. 6673, to amend the Civil Service Retirement Act to permit an employee to draw both a retirement annuity and compensation under the Employees' Compensation Act for a family member killed in Government service; without amendment (S. Rept. 1680).
 - H. R. 6903, to provide benefits for certain employees who are veterans of World War II and lost opportunity for probational appointment because of their service in the armed forces; without amendment (S. Rept. 1681).

3. PERSONNEL; ECONOMY. Chairman Byrd of the Joint Committee on Reduction of Non-essential Federal Expenditures inserted and discussed the Committee's monthly personnel report (pp. 8658-9).
4. TREASURY-POST OFFICE APPROPRIATION BILL. Agreed to a further conference report on this bill, H. R. 5452, and conferees were appointed for still a further conference (pp. 8683-91).
5. FARM CREDIT. Sen. Capper inserted an American Veterans' Committee letter favoring the Senate version of H. R. 5991, the Cooley bill (pp. 8656-7).
6. WATER COMPACT. The Irrigation and Reclamation Committee reported without amendment H. R. 4701, to authorize Utah, Idaho, and Wyoming to enter into a compact for division of Bear River waters (S. Rept. 1697)(p. 8657).
7. RECLAMATION. Received from the President a \$1,086,000 supplemental appropriation estimate for the Bureau of Reclamation (S. Doc. 237)(p. 8656). To Appropriations Committee. (p. 8656.)
The Irrigation and Reclamation Committee reported with amendment S. 2372, to authorize construction of the Lewiston Orchards project, Idaho (S. Rept. 1675)(p. 8657).
8. RIVERS AND HARBORS. Agreed to the conference report on H. R. 6407, authorizing construction, repair, and preservation of certain public works on rivers and harbors (p. 8663). This bill will now be sent to the President.
9. WILDLIFE CONSERVATION. The Agriculture and Forestry Committee reported with amendment H. R. 6097, to make various amendments to the Pittman-Robertson Wildlife Conservation Act, including a provision for consultation with the Fish and Wildlife Service when a Federal agency is to impound or otherwise control waters (S. Rept. 1698)(p. 8657).
10. FEDERAL-AID INVESTIGATION. S. Res. 300 (see Digest 132). The committee report includes financial data on Extension, ARA, FS, SCS, and school-lunch programs; indicates that the Education and Labor Committee, which would make the investigation, will "consult with" the Agriculture and Forestry Committee, but says the committee would not investigate programs under the jurisdiction of other committees; and includes a series of questions which the committee intends to ask regarding "regional development" and "sound fiscal policy."

Excerpts from the report:

"The present situation on Federal grants to State and local governments is extremely chaotic...one Federal-aid program has been piled on top of another--without sufficient effort to appraise the general effect...or to achieve coordination among the innumerable Federal-aid programs...In some cases the purpose of Federal aid has been to help finance a higher level of essential public works or public services. But it is often charged that the effect has been merely to substitute Federal funds for local funds, with no increase whatsoever in the level of public works or services. In other cases the purpose has been to assist States who are most in need of financial aid. But the effect, it has been said, has been to provide the most money for those States who are least in need. In most cases, it has been the purpose of the Federal Government to provide Federal aid on a basis that will keep administrative red tape at a minimum. But the net effect of our present Federal-aid program, which has simply 'grown like Topsy,' is a wild morass of red tape and administrative confusion...The committee believes that the study and investigation of this prob-

Mr. HOEY. Yes; without prejudice to the unfinished business.

I first ask unanimous consent for the consideration of House bill 541, authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges across the Potomac River.

The PRESIDENT pro tempore. Is there objection?

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. REVERCOMB. May I ask the Senator to explain briefly just what the bills are?

Mr. HOEY. This is a matter which has been in controversy for some time, but all the elements have agreed on this bill. It involves the construction of two bridges across the Potomac River for which the District pays half and the Government the other half. As I have said, all elements have agreed on the bill, and the House has unanimously passed it.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. WHITE. Mr. President, may I say that the Senator from North Carolina spoke to me about these bills yesterday. I canvassed as well as I could the minority members of the committee, and I found no objection to the bills.

Mr. BARKLEY. As I understand, these are District bills?

Mr. HOEY. Yes; they relate only to the District of Columbia.

Mr. BARKLEY. And they are urgent?

Mr. HOEY. Yes; they are urgent.

Mr. BARKLEY. And they have been reported unanimously, and it is important that they be passed without delay.

Mr. HOEY. That is correct. There is no objection to either one of the bills.

Mr. MURDOCK. Mr. President, if I understand the request of the Senator from North Carolina, it is that the unfinished business be temporarily laid aside?

Mr. HOEY. Yes.

Mr. MURDOCK. I should like to make a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MURDOCK. If the request of the Senator from North Carolina is granted, immediately after action is taken on the bills the Senator from North Carolina has in mind, will the Senate resume the consideration of the unfinished business?

The PRESIDENT pro tempore. It will. Is there objection to the request of the Senator from North Carolina?

There being no objection, the bill (H. R. 541) authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

INCREASE IN SALARIES OF TEACHERS, ETC., IN THE DISTRICT OF COLUMBIA

Mr. HOEY. I now ask unanimous consent for the immediate consideration of Senate bill 2352.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2352) to authorize increases in the salary rates of teachers, school officers, and other employees of the Board of Education of the District of Columbia whose pay is fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the District of Columbia with amendments.

The amendments of the committee were on page 1, after the enacting clause, to strike out:

That title I of the District of Columbia Teachers' Salary Act of 1945, as amended, is hereby further amended by increasing each basic annual salary rate and each maximum annual salary rate in each class and in each class and group as set forth therein, with the exception of class 29, by the sum of \$450.

SEC. 2. Each teacher, school officer, or other employee, whose salary is fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended, with the exception of the Superintendent of Schools, who is in the service of the Board of Education on July 1, 1946, shall be entitled to receive an increase in his compensation at the rate of \$450 per annum in addition to any other increase or increases to which he may be entitled under the provisions of the said act, as amended on July 24, 1945.

And insert:

That for the fiscal year commencing July 1, 1946, all employees of the Board of Education whose salaries are fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended, except the Superintendent of Schools, shall receive, in addition to the compensation already provided for under such act, as amended, additional compensation at the rate of \$450 per annum.

On page 2, after line 22, to insert:

SEC. 3. The Board of Education is hereby directed to make a study of the pay scales and classifications of the employees of the said Board whose salaries are fixed and determined by the District of Columbia Teachers' Salary Act of 1945, as amended, for the purpose of determining what salary and classification adjustments, if any, may be necessary or desirable, and to make a report, including its findings and recommendations, to the respective chairmen of the Senate and House District Committees not later than February 1, 1947.

And on page 3, after line 7, to strike out:

SEC. 4. This act shall take effect July 1, 1946.

And insert:

SEC. 4. This act shall take effect as of July 1, 1946.

So as to make the bill read:

Be it enacted, etc., That for the fiscal year commencing July 1, 1946, all employees of the Board of Education whose salaries are fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended, except the Superintendent of Schools, shall receive, in addition to the compensation already provided for under such act, as amended, additional compensation at the rate of \$450 per annum.

SEC. 2. There is authorized to be appropriated, out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act, and any appropriations for the public schools of the District

of Columbia for personal services are hereby made available for the payment of the increased salaries authorized by this act.

SEC. 3. The Board of Education is hereby directed to make a study of the pay scales and classifications of the employees of the said Board whose salaries are fixed and determined by the District of Columbia Teachers' Salary Act of 1945, as amended, for the purpose of determining what salary and classification adjustments, if any, may be necessary or desirable, and to make a report, including its findings and recommendations, to the respective chairmen of the Senate and House District Committees not later than February 1, 1947.

SEC. 4. This act shall take effect as of July 1, 1946.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. EASTLAND. Mr. President, I suggest the absence of a quorum.

Mr. STANFILL. Mr. President, will the Senator withhold his suggestion for a moment?

Mr. EASTLAND. I am glad to.

Mr. STANFILL. Mr. President, this morning when I picked up the July 8 issue of the Louisville Times, a newspaper published in Louisville, Ky., I noted the headlines, "Rush of meat to market jams downtown traffic—'Beef line' blocks long—Thousands watch livestock parade toward city slaughterhouses—Market street became beef boulevard today."

Without taking the time of the Senate to read the article, I ask unanimous consent that it be inserted in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUSH OF MEAT TO MARKET JAMS DOWNTOWN TRAFFIC—BEEF LINE BLOCKS LONG—THOUSANDS WATCH LIVESTOCK PARADE TOWARD CITY SLAUGHTERHOUSES

Market Street became Beef Boulevard today.

One of the worst traffic jams on record started shortly after 8 a. m. as hundreds of farm trucks started moving in, loaded with cattle, sheep, and hogs for the Bourbon Stock Yards.

By noon Market was jammed with livestock trucks from the stockyards all the way to Sixth.

At 8 a. m. the trucks were lined up as far back as Campbell; by 9:15 a. m. the jam had moved back to Preston on Market. At 11 a. m. the line extended beyond First and at noon it was in the heart of the downtown district.

The sight of the long line of trucks loaded with all kinds of livestock attracted the attention of thousands of persons along Market. Many of them hung out windows to gawk at the sight of so many potential beefsteaks on parade.

There was a holiday spirit along the street as if a circus was staging a parade.

Capt. Lloyd Chaudoin, head of the traffic department, took seven patrolmen from regular beats to direct traffic, and placed on duty a special police car and three motorcycle patrolmen.

All traffic other than the stock trucks was being turned at First either onto Jefferson or Main.

Louisville Railway Co. busses on Market were running behind schedule, piled up behind each other in the jam of bellowing cattle, baaing sheep, and grunting hogs.

Assistant Fire Chief Harry Ellington, after observing that there was no lane kept open for fire trucks in case of fire as the traffic increased during the morning hours, immediately took steps to insure a clear passage if needed, especially at the intersections going north and south.

As the traffic increased Captain Chaudoin changed his plan and routed the cattle trucks over both Market and Main as they came in Eighteenth. From Eighteenth to where the line formed, trucks made up a great part of the traffic.

A good number of the farmers, after waiting in the slow moving line for hours to reach the stockyards, turned out and started back home, fearful that their livestock would be harmed because of the heat and being penned in such close quarters.

Mr. WHERRY. Mr. President, will the Senator from Mississippi yield to me?

Mr. EASTLAND. I yield.

Mr. WHERRY. Mr. President, yesterday I neglected to place in the RECORD the report of the 12 central markets of the country relative to the receipts and purchases and sales of livestock for meat. I now ask unanimous consent to point out that this market report reveals that yesterday receipts at the 12 large markets of the country amounted to over 57,000 head of cattle and over 75,000 head of hogs, and that the receipts at the 12 markets for the first 2 days of this week, if we add them together, amounted to over 158,000 head. This number was 7 percent larger than the market supply in the same 2 days last week, and 85 percent larger than the supply in the corresponding 2 days the week before, which should convince the most skeptical that without price control of meat we are getting receipts in the market, and when we get receipts we will finally get the prices to a point where the consumer can buy meat, because the black market is eliminated when the meat comes through legitimate channels.

I should also like to call attention to the hog market. There were 75,000 hogs received on the market. There was about the same percentage as applied to cattle, that is, 85 percent more hogs this week than the same 2 days a week prior to the elimination of price control.

Mr. President, I call attention now to one of the most important parts of the report, which was so ably brought out by the distinguished Senator from Wyoming [Mr. ROBERTSON]. The top sales on two loads of cattle showed a price of \$22.50, but the public should not be misled by the headlines in the papers to believe that the price of meat from these prime cattle is soaring. There are very few prime cattle being sold in the markets today, and the meat from them goes to the hotels or the restaurants which can afford to pay for it and sell it at a corresponding price. Eighty percent of the cattle are what are called good-to-choice cattle, and the price was 25 cents lower yesterday than at Friday's close.

Between 80 and 90 percent of the beef comes from the good-to-choice cattle, and those cattle sold at from \$19 down. The public should know that the top selling price ranges around \$18; so that in reality 90 percent of the beef sold on the market yesterday sold at a top price of \$19, and I am satisfied that if it is averaged out, it did not bring a selling price of above \$18.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. ROBERTSON. I understand from the Senator that there was a total of 57,000 cattle received in the 12 markets yesterday.

Mr. WHERRY. That is correct.

Mr. ROBERTSON. And that the top price of \$22.50, out of that 57,000, was paid for 2 loads.

Mr. WHERRY. That is correct.

Mr. ROBERTSON. For the benefit of the Senate, I would say that those two loads would probably amount to not more than between 50 and 60 head.

Mr. WHERRY. That is correct. The public should not be misled. The choice cattle bought by the public sold at almost normal prices based upon the old Vinson range, and if cattle receipts continue at the same rate meat prices will fall, because whenever the pipe line is filled up, as the distinguished Senator from Kentucky read in the newspaper article, and we get receipts, the quickest results are obtained in the stopping of high prices and the prevention of inflation.

Mr. President, inasmuch as the meat amendment has been voted upon, it is unnecessary to take any further time of the Senate, but I shall ask unanimous consent to put in the RECORD the complete market report, which is in detail as to not only cattle and hogs, but as to sheep. It speaks for itself.

I should like to say, with reference to hogs, so that the public will have the information, that the price of hogs went to only 10 cents higher than at Friday's close, which is another top price for only a few loads of choice hogs, higher than the \$16.60 market, but the bulk of the hogs, which are choice, sold at around \$15.50. The top selling price under the Vinson range was \$14.85, so that the bulk of the hogs sold for only 65 cents a hundred more than the top selling price.

Mr. President, that is not a soaring price, that is almost a normal price, and if the receipts of hogs continue, we will see that prices will not increase on a soaring basis. They will have to be adjusted finally on the basis of the subsidies, because if the subsidies are not paid, that matter has to be ironed out. That will depend upon receipts, because if receipts continue, prices will be reduced instead of increased.

Mr. ROBERTSON. Mr. President, will the Senator yield again?

Mr. WHERRY. I yield.

Mr. ROBERTSON. The Senator has to some extent apologized for putting these prices in the RECORD, because his meat amendment was agreed to yesterday. I am hoping that the Senator will continue to get the prices each day and put them in the RECORD every day.

Mr. WHERRY. I wish to thank the Senator—

Mr. EASTLAND. Mr. President, I thought I was yielding for an insertion in the RECORD.

Mr. WHERRY. Very well. Will the Senator permit me to finish this statement?

Mr. BARKLEY. I should like to suggest to the Senator from Nebraska, and all other Senators, that the meat amendment has been agreed to, and there are other amendments to be considered.

Mr. WHERRY. The distinguished majority leader will not complain at the speed with which we have handled the amendments?

Mr. BARKLEY. No; but the Senator's amendment was agreed to yesterday.

Mr. WHERRY. I did not get a chance to put this report in yesterday. I shall put the reports in each morning as I get them, not only for the remainder of this week, but for later weeks, and I thank the distinguished Senator from Mississippi for the time he has afforded me.

I renew my request that the report to which I have been referring be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

A report just received from the American Meat Institute in Chicago, on the livestock and meat situation today, shows a continuance of more liberal marketings of livestock, since the expiration of price controls, thereby assuring American housewives increased supplies of meat in retail meat stores within the next few days. These increased supplies of meat also will be available to housewives for the most part at fair, reasonable, and competitive prices—not even as high as the black-market prices that have been charged consumers by illegal operators for many months past.

Receipts at 12 important livestock markets in the country this morning were estimated by the United States Department of Agriculture at 57,000 cattle and 75,000 hogs—up substantially from late June and also from this same date a year ago. For the first 2 days this week, salable receipts of cattle at the 12 markets amounted to 157,000 head. This number is almost double the number received during the same 2 days last week, 20 percent more than that in the same 2 days a year ago, and almost double market receipts in the same 2 days the last week in June—just before price control ended. Receipts of calves the first 2 days this week, which amounted to over 27,000 head, were 63 percent larger than receipts in the same 2 days a week ago, and 35 percent larger than those in the same 2 days a year ago.

The Department of Agriculture reported the cattle market in Chicago yesterday as follows: "In a general way, the market for slaughter cattle ruled steady at 25 cents lower compared with last week's close."

The cattle market in Chicago this morning according to this early report, was steady with yesterday's close. Prevailing cattle prices this week except for the small portion of extremely well-finished cattle, are somewhat lower than prices prevailing in the early part of last week.

Reports indicate that a very liberal market supply of cattle from the important grazing areas of the Southwest, especially the well-known Osage and Blue Stem pasture areas in Oklahoma and Kansas, will be shipped to market very soon. Some are beginning to move this week.

Receipts of hogs at the 12 markets for the first 2 days this week amounted to over 158,000 head. This number was 7 percent

larger than the market supply in the same 2 days last week, 85 percent larger than the supply in the corresponding 2 days a week ago, and over five times the receipts for the comparable 2 days in the last week of June—the week in which price controls terminated.

Early sales of hogs at Chicago this morning were made at slightly higher than yesterday's close, but still considerably less than the price prevailing at the beginning of last week.

The top price early this morning is reported at \$17.15 per hundredweight, as compared with \$18.50 top in Chicago at the beginning of last week. The top yesterday was \$16.75 per hundredweight, but the Department of Agriculture states: "That price was paid, however, only for a few lots of lightweight hogs."

With a continued liberal and orderly flow of livestock to market, prices of livestock and of meats may be expected to become reasonably stable at fair and competitive levels and, at the same time, will tend to encourage adequate production of livestock and meats to meet the needs of this country, in addition to what may be decided necessary for shipment abroad.

A review of the probable supply of meat and price trends for the months ahead, on the assumption that controls on meats and livestock will be kept off, may be of special interest at this time. This is of interest because current markets are being affected obviously by a number of unusual, temporary, and abnormal circumstances. It is the stated view of the Department of Agriculture—and this view is concurred in generally by the trade—that "current forecasts of disposable consumer income and prospective civilian meat supplies for the second half of 1946 indicate that prices of meat at retail for that period would average 15 to 20 percent above present reported levels if price ceilings on meat and live animals were removed."

The removal of subsidies on meat and livestock alone accounts for most of this increase, since these subsidies on the average amounted to from 12 to 15 percent.

The term "reported levels," as used above, reflects largely the OPA ceiling prices prevailing at the time rather than actual selling prices, which, in late February and early March, were found by factual survey to be 20 percent above ceiling prices.

A number of factors, including the following, undoubtedly were considered in reaching the foregoing conclusion:

1. Government reports showing largest per capita civilian meat supply in 35 years.
2. Increasing supply of durable goods will reduce the amount of the housewife's budget available to spend for meat.
3. Near record supplies of poultry and eggs.
4. Some kinds of meat already below ceilings.
5. Elimination of inefficiency and waste of black market and resulting better distribution of meat, and recovery again of livestock byproducts desperately needed for the manufacture of vital medicines, such as insulin.
6. Price consciousness and more careful competitive shopping by housewives.
7. High livestock population making large potential supply of meat available.

AMERICAN MEAT INSTITUTE.

CHICAGO, ILL.

PUBLIC WORKS ON RIVERS AND HARBORS—CONFERENCE REPORT

Mr. OVERTON submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference

have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 11.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 19, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, and 41.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18 and agree to the same with an amendment as follows: Restore the language stricken out and omit the language inserted; and, on page 8, lines 10 and 11, of the House engrossed bill, strike out "in accordance with the report of the Chief of Engineers, dated April 24, 1946;" and insert in lieu thereof "House Document Numbered 692 Seventy-ninth Congress;"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: On page 8, lines 18, 19, and 20, of the House engrossed bill, strike out "in accordance with the report of the Chief of Engineers dated April 9, 1946;" and insert in lieu thereof "House Document Numbered 693, Seventy-ninth Congress;"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In line 3 of the amendment, after the words "persons engaged on the", insert the words "construction of the"; and the Senate agree to the same.

JOHN H. OVERTON,
THEO. G. BILBO,
GEO. L. RADCLIFFE,
CLAUDE PEPPER,
JAMES M. MEAD,
ALEXANDER WILEY,
C. WAYLAND BROOKS,
E. V. ROBERTSON,

Managers on the Part of the Senate.

HUGH PETERSON,
J. E. RANKIN,
O. C. FISHER,
J. HARDIN PETERSON,
GEO. A. DONDERO,
W. A. PITTINGER,
HOMER D. ANGELL,
ROBERT L. RODGERS,
HENRY M. JACKSON,

Managers on the Part of the House.

Mr. OVERTON. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr. OVERTON. Mr. President, I wish to make a short statement. All the Senate amendments were agreed to with one exception, and that was with regard to the Arkansas River. We had to recede on that.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. McCLELLAN. As I understand, all other provisions of the bill have been agreed to except the one increasing the authorization for work on the Arkansas River, which involved the beginning of construction of navigation facilities. That means, of course, that the starting of the work will be delayed, but the construction of the Eufaula Dam under the present authorization can be begun. Is that correct?

Mr. OVERTON. The Senator is correct. The Eufaula Dam construction can be begun as soon as an appropriation is made.

Mr. McCLELLAN. I merely wish to express my regret that the House did not go along with the action taken by the Senate, which increased the authorization for the Arkansas River Basin. The general, comprehensive plan was adopted. Of course, I think this work should be begun as soon as it can be. I regret that this delay is to be encountered. I express the hope that next year the authorization will be made, and the proposed development of one of the important streams of this Nation, and one in which my State is most vitally interested, will be gotten underway. I thank the Senator.

Mr. OVERTON. Mr. President, I move that the conference report be agreed to. The motion was agreed to.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. BARKLEY. Mr. President, I wish to make an announcement. I assume the Senate is anxious to dispose of the pending legislation as soon as possible, and I am taking advantage of the opportunity to advise Senators, so they may be ready for a night session tonight if it is necessary to make such speed in the consideration of the joint resolution as will enable us to finish it tomorrow. I should like to finish it today or tonight. There are many other things to be done, and if this measure has to be worked out in conference, as it may have to be, depending on what happens here and elsewhere, it is important that it be done as soon as possible. So I hope that Senators who were disappointed because we did not hold a night session last night, will be assuaged in their disappointment tonight if we should decide to hold one.

The PRESIDENT pro tempore. The Chair will say that the Chair was not disappointed.

Mr. EASTLAND. I renew my suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	McKellar
Andrews	Gerry	McMahon
Austin	Gossett	Magnuson
Ball	Green	Maybank
Barkley	Guffey	Mead
Bridges	Gurney	Millikin
Briggs	Hart	Mitchell
Brooks	Hawkes	Moore
Buck	Hayden	Morse
Burch	Hill	Murdoch
Bushfield	Hoey	Murray
Byrd	Huffman	Myers
Capehart	Johnson, Colo.	O'Daniel
Capper	Johnston, S. C.	O'Mahoney
Carville	Kilgore	Overton
Chavez	Knowland	Pepper
Cordon	La Follette	Reed
Downey	Langer	Revercomb
Eastland	Lucas	Robertson
Ferguson	McCarran	Russell
Fulbright	McClellan	Smith

Stanfill	Thomas, Utah	White
Stewart	Tobey	Wiley
Swift	Tunnell	Willis
Taft	Wagner	Wilson
Taylor	Walsh	Young
Thomas, Okla.	Wherry	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

Mr. EASTLAND. Mr. President, on behalf of the Senator from Georgia [Mr. RUSSELL], the Senator from Ohio [Mr. TAFT], and myself, I send to the desk a substitute for the pending amendment, which I ask to have stated.

The PRESIDENT pro tempore. Does the Senator desire to modify the pending amendment?

Mr. EASTLAND. I offer this as a substitute.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. TAFT. I think it would be better if the Senator will modify his pending amendment. He has the right to do that.

Mr. EASTLAND. I will do that.

The PRESIDENT pro tempore. The Senator has the right to do that. The modified amendment will be stated.

The CHIEF CLERK. On page 9, between lines 14 and 15, it is proposed to insert the following:

(8) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to cottonseed, soybeans, or products processed or manufactured in whole or substantial part from cottonseed or soybeans.

Mr. EASTLAND. Mr. President, it had been my purpose to press for adoption of the amendment that was offered yesterday. That amendment would provide for a moderate increase in cottonseed prices, but because of the action the Senate took yesterday in decontrolling meats, animal fats, and oils; it is necessary that the modified amendment be adopted. Therefore the amendment is modified to provide for decontrol of soybean products and cottonseed products.

There has been no ceiling on cottonseed, but through an imposition of low ceilings on cottonseed products the price of cottonseed has been held down lower during the war and at this time than it was in 1941. That year Mr. Leon Henderson stated that on the basis of cost of production in 1941, \$60 a ton was a reasonable price for cottonseed, but the price has been rolled back to the point where the farmer's price today is \$53 a ton.

Mr. President, the reason for the modified amendment is this: Vegetable oils and fats and animal oils and fats are competitive. They are interchangeable products. The animal oils and fats have been decontrolled, and if we do not decontrol vegetable oils and fats, then havoc will be created in the industry. Vegetable products which have historically gone into the manufacture of other products would no longer be used, as a manufacturer would turn to an animal product and bid the price up in order to get from under decontrol. Livestock has been decontrolled. Unless the feed that goes to livestock is decontrolled there will be widespread black-market operations. Unless cottonseed meal and cake are decontrolled we will have a black market the like of which has never before existed.

The modified amendment will not increase the price of cottonseed products or soybean products to an appreciable extent, but if it is adopted it will be possible for livestock feeders in the West to secure an adequate supply of cottonseed meal, which they cannot secure today. They cannot secure it today because the mixed feed mills in the South and other industrial organizations in the South are on a barter basis with the farmers, and the product is held there, so none of it goes to the West. Take the case of cottonseed linters, which is a cottonseed product. That product is used in industry. It is held down by OPA to a price of 7 cents a pound, and yet the world price is 13 cents a pound. Linters are being imported into this country from abroad at 13 cents a pound, while the American producer is held to a price of 7 cents a pound. The amendment would assure an adequate supply of meal

and cake for western farmers at reasonable prices, and would increase the overall supply of fats and oils.

Take the case of soybeans. This year the soybean acreage in the United States declined 25 percent because of inadequate price ceilings placed on that product. To correct this situation, and to prevent chaos and havoc in the industry, this amendment should be adopted.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. MAYBANK. I should like to ask the Senator from Mississippi his opinion. In January and February the Senator from Mississippi, along with other Senators, opposed Mr. Bowles' threatened ceiling price on cotton.

Mr. EASTLAND. That is true.

Mr. MAYBANK. At that time it was believed by those of us here who knew something about cotton that the price on cotton should have been 30 cents.

Mr. EASTLAND. That is true.

Mr. MAYBANK. At the present time it is much higher than 30 cents.

Mr. EASTLAND. Somewhat higher.

Mr. MAYBANK. Is it not the Senator's opinion that if Mr. Bowles had left the cotton market alone, and had not suggested ceilings in January, the acreage in the South, and particularly the Southwest, would have been larger, and more cotton, cottonseed, and cotton products would have been available in the 1946-47 season?

Mr. EASTLAND. There is no doubt that what the Senator says is true, and that Mr. Bowles was responsible for a reduction in acreage, and a shortening of the domestic supply of cotton.

Mr. MAYBANK. Is not that reflected in an increased price, over and above what was suggested at that time?

Mr. EASTLAND. That is true.

Mr. TAFT. Mr. President, I join the Senator from Mississippi in this amendment, adding soybeans to cottonseed. The amendment simply decontrols cottonseed, soybeans, and their products. I regret that the Senator from Mississippi insists on proceeding with this amendment before the dairy amendment is disposed of; but, after all, that is only a question of procedure. The amendments must be voted on separately. However, it seems to me that the three classifications, namely, meat, dairy products, and soybean and cottonseed oils, go together. In the decontrol of meat we completely decontrolled oleomargarine, and we decontrolled lard from hogs. Those are two of the principal edible fat products. In decontrolling dairy products we decontrol butter. It seems to me inevitable that the three should go together, and that the lard substitutes which come from cottonseed oil, and I think in part from soybean oil, should be decontrolled at the same time. Otherwise, in my opinion, there is no possibility of establishing a natural price for oils and fats. So it seems to me that the three classifications, namely, meat, dairy products, and butter and lard substitutes, should all be considered in one group. We must vote on them separately, but I believe that the argument for the decontrol of lard substitutes is

the same as the argument for the decontrol of dairy products.

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). The question is on agreeing to the modified amendment offered by the Senator from Mississippi [Mr. EASTLAND] on behalf of himself and other Senators.

Mr. BARKLEY. Mr. President, I wish to make a brief statement. The amendment offered yesterday by the Senator from Mississippi [Mr. EASTLAND] on behalf of himself and the Senator from Georgia [Mr. RUSSELL], before he recruited the able and outstanding assistance of the Senator from Ohio [Mr. TAFT], whose interest in cottonseed oil is to be commended, provided as follows:

(7) Maximum prices established or maintained for products manufactured or processed in whole or major part from cottonseed shall be sufficient to reflect to the producers of such cottonseed a price increase equal to the average percentage increase in the support prices allowed to other principle competing vegetable oil seeds by the Commodity Credit Corporation since August 1, 1942, after making allowance for the manufacturing or processing margin fixed by the Commodity Credit Corporation in its 1942 cottonseed program adjusted for increased costs accruing since August 1, 1942.

The support prices for these competing agricultural products from which oil is produced were purely incentive prices, to increase production. The competing vegetable oil seeds included soybeans and peanuts. Peanuts are not included in the amendment now offered, although peanut oil competes with soybean oil and other vegetable oils. The support program instituted by the Government for soybeans and peanuts was inaugurated in order to meet a critical shortage in the vegetable oil situation. The program was nothing more nor less than an incentive pricing, and it yielded the producers of these various commodities far more than any of the agricultural standards carried in the act, because the price was a support price, in order to induce greater production.

Cottonseed is a byproduct. To measure the return on cottonseed on the basis of an increase in the support prices, as provided for in the amendment offered yesterday, would not result in an increased supply of cottonseed. The supply of cottonseed depends on the production of cotton for other purposes, the seed being merely a byproduct.

The Senator has now modified his amendment so as to decontrol altogether cottonseed and soybeans. I presume that the inclusion of the Senator from Ohio as one of the authors of this amendment may be attributed to the fact that it is desirable to obtain as many votes as possible for the amendment, and the inclusion of the Senator's name no doubt helps the situation. Whether that strategy is to be extended to other amendments, especially amendments offered by the Senator from Ohio, only the future can reveal.

Mr. President, we might as well be frank. I do not in any way question the right of the Senate, from a legislative standpoint, to place anything in this measure that it sees fit to place in it. But at the rate we are now going, if this amendment and others along the same line are adopted, it seems to me that an

amendment may be offered to decontrol grains, because livestock eat grains; therefore there is a relationship between livestock and grains, and hence grains ought to be decontrolled. Logically an amendment might be offered to decontrol anything which has direct or indirect relationship to something else which has been decontrolled. By that process we would decontrol all the food on the tables of American families, and in addition we would load the pending measure down and make it utterly ridiculous.

It seems to me that this amendment is not justified. I appreciate the sincerity of the Senator from Mississippi, the Senator from Georgia, and the Senator from Ohio in looking after cottonseed and soybeans; but I am wondering why peanuts were overlooked, because oil is made from peanuts. I do not know whether peanuts were omitted because the word "peanut" is sometimes used in politics in describing an individual as a "peanut politician." I do not know whether peanuts were omitted because there was no desire to imply that any Member of the State is a peanut politician. Far be it from me to suggest such a thing, even if peanuts had been included with soybeans and cottonseed. But there is just as much logic for decontrolling peanuts as there is for decontrolling soybeans or cottonseed or any other vegetable out of which oils are made. So, Mr. President, why not include all of them and why not include anything else that comes in competition with anything else that comes in this measure?

Mr. President, in our effort to pursue local interests and local advantages, we are liable to make a ridiculous measure. I hope that will not be done, and therefore I cannot support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Mississippi [Mr. EASTLAND] on behalf of himself and other Senators.

Mr. TAFT. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Nebraska [Mr. BUTLER], and will vote. I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Utah [Mr. THOMAS] are unavoidably detained.

The Senator from Nevada [Mr. McCARRAN], the Senator from Tennessee [Mr. McKELLAR], and the Senator from Louisiana [Mr. OVERTON] are detained at an important committee meeting.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

On this question the Senator from Mississippi [Mr. BILBO] is paired with the Senator from Maryland [Mr. RADCLIFFE]. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from Maryland would vote "nay."

If present and voting, the Senator from Texas [Mr. CONNALLY] would vote "yea."

I also announce that if present and voting, the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 42, nays 34, as follows:

YEAS—42

Aiken	George	Robertson
Andrews	Gossett	Russell
Austin	Gurney	Stanfill
Ball	Hart	Stewart
Bridges	Hawkes	Swift
Brooks	Hill	Taft
Buck	Hoey	Thomas, Okla.
Bushfield	Johnston, S. C.	Tobey
Capehart	McClellan	Wherry
Capper	Maybank	White
Cordon	Millikin	Wiley
Eastland	Moore	Willis
Ferguson	O'Daniel	Wilson
Fulbright	Reed	Young

NAYS—34

Barkley	Johnson, Colo.	Murray
Briggs	Kilgore	Myers
Burch	Knowland	O'Mahoney
Byrd	La Follette	Pepper
Carville	Langer	Revercomb
Donnell	Lucas	Smith
Downey	McMahon	Taylor
Gerry	Magnuson	Tunnell
Green	Mead	Wagner
Guffey	Mitchell	Walsh
Hayden	Morse	
Huffman	Murdock	

NOT VOTING—20

Bailey	Hatch	Saltonstall
Bilbo	Hickenlooper	Shipstead
Brewster	McCarran	Thomas, Utah
Butler	McFarland	Tydings
Chavez	McKellar	Vandenberg
Connally	Overton	Wheeler
Ellender	Radcliffe	

So the modified amendment offered by the gentleman from Mississippi [Mr. EASTLAND] on behalf of himself and other Senators was adopted.

Mr. EASTLAND. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. RUSSELL. I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion to lay on the table was agreed to.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

DISTRIBUTION OF WAR TROPHIES AND DEVICES—RETURN OF BILL BY PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read; and, with the accompanying bill, ordered to lie on the table:

To the Senate:

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith Senate bill No. 1746, entitled "An act to govern distribution of war trophies and devices."

HARRY S. TRUMAN.

THE WHITE HOUSE, July 10, 1946.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. WHERRY. Mr. President, I offer the amendment in behalf of myself and other Senators which bears at the bottom of the page the letter "H."

Mr. McKELLAR. Mr. President, before the Senate proceeds to consider the amendment, I wish to state for the RECORD that I have been in attendance at a meeting of the Appropriations Committee and arrived in the Chamber too late to vote on the cottonseed amendment. I wish the RECORD to show that if I had been present I would have certainly voted for the amendment.

Mr. OVERTON. Mr. President, I wish also to have the RECORD show that I have been in attendance at a meeting of the Committee on Appropriations, and if I had been present in the Chamber when the vote was taken on the cottonseed amendment, I would have voted in its favor.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska in behalf of himself and other Senators will be stated.

The LEGISLATIVE CLERK. On page 9, after line 14, it is proposed to insert the following:

(8) No maximum price and no regulation or order under this act or the Stabilization

Act of 1942, as amended, shall be applicable with respect to milk, or food or feed products processed or manufactured in whole or substantial part from milk.

Mr. WHERRY. Mr. President, last Friday I offered three amendments, one of them being the so-called meat amendment which was acted upon by the Senate yesterday. The second amendment was to decontrol milk, food or feed products processed or manufactured in whole or in substantial part from milk. At that time I stated that I felt that the Senate should vote separately on the three amendments, and that they should not be modified.

With reference to the question of surplus and demand in connection with milk, the same arguments may be used as those which were used in connection with the question of the surplus and demand with relation to meat.

The arguments would be borne out by the figures showing the production and comparative consumption of milk during the past few years. In fact, when the Senate was considering the extension of the OPA last month, it approved overwhelmingly a provision with respect to the decontrol of milk.

Mr. President, there were compelling reasons why the committee and the Senate voted to decontrol milk. The first reason was that the production of milk has been equal to prewar consumption levels. I do not wish to take the time of the Senate to go into the matter more thoroughly, and I therefore ask permission to have printed in the RECORD at this point as part of my remarks, a table showing the production and consumption per capita of milk throughout the United States during the years 1935 to 1945. The figures have been supplied by the Department of Agriculture. In 1946 the consumption has been 814 pounds a person, which is more than was consumed in any of the years back as far as 1942 when the consumption hit an all time high of 839 pounds, and in 1939 when the consumption was 824 pounds. With the exception of those 2 years the consumption of milk in 1945 and so far in 1946 was greater than any of the years prior thereto.

Mr. President, I ask unanimous consent to have the table printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production and consumption of milk, United States, 1935-45

	Production of milk	Production of milk per capita	Total milk for human consumption (civilian) per capita
	Billion pounds	Pounds	Pounds
1935.....	101,205	795.3	799.0
1936.....	102,410	799.7	791.7
1937.....	101,908	791.1	796.5
1938.....	105,806	815.0	794.7
1939.....	106,792	816.0	824.0
1940.....	109,510	829.8	820.5
1941.....	115,498	867.1	806.9
1942.....	119,240	885.5	839.0
1943.....	118,140	865.5	761.2
1944.....	118,555	858.6	787.6
1945.....	122,219	875.4	799.0
1946.....	118,000	836.9	814.0

Source: Agricultural Statistics, 1945; National Food Situation, April 1946.

Mr. WHERRY. The civilian consumption of dairy products per capita not only amounted to 814 pounds for 1946, as shown by the table, but it represents 2 percent more than the average consumption during the prewar years of 1935 to 1939, when taken together. The consumption in 1946 will be more than in any one year since 1942.

Another compelling reason for the committee decontrolling milk by the amendment which was reported by the Banking and Currency Committee was that the subsidies accompanying price control made dairy products cheaper in comparison with other foods, and, also, the demand which gave a false impression of scarcity. That, in turn, was because of the unusual volume of purchasing by the public of milk products. Fluid milk and cream this year will be 34 percent above the prewar annual consumption. Ice cream consumption, on the basis of the output figures for the first quarter of 1946, will be from 100 to 150 percent greater than during the years prior to the war.

Mr. President, I could continue with the presentation of other facts, but the Senate already knows them. They have been discussed in the Senate Banking and Currency Committee, and they have been referred to time and again on the floor of the Senate.

I make the general statement that, because of the subsidy program, production and consumption were greater during 1946 than in any other year in our history.

The controlled prices under the subsidy program caused milk consumption to increase heavily, as shown by the extreme scarcity of butter. Thirty-four percent of the fluid milk was drunk, or used for the manufacture of ice cream. For that reason it did not go into the manufacture of butter. The result was a false impression as to the shortage of butter.

Another compelling reason is that the price-control program in 1946 steadily forced milk products downward. For that reason the volume is dropping below the 1945 levels. The same argument may be used in this connection that was used in connection with the subject of meat, namely, that because of the increased cost, primarily, of feed, to say nothing about labor, the 1946 rate of production has dropped under what it was in 1945, and will continue to drop until the price relationship is adjusted.

Mr. President, another compelling reason is the black market. I do not wish to go into any detail with regard to that subject, and I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a memorandum and other matter covering the points which I would otherwise discuss.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MEMORANDUM RE DAIRY AMENDMENT, HOUSE JOINT RESOLUTION 371

The Senate when considering this subject before passed a bill decontrolling milk, livestock, poultry, and their products. The position which the Senate took at that time was well considered and sound. That position is even more sound today after the experience of a week of free marketing. Before the old act ended there was some speculation concerning possible effects of cutting off sub-

dies and price controls, but now we see that the dire consequences that had been anticipated by some of the alarmists of this country have failed to materialize. In the dairy industry many price adjustments have been taken place to compensate for lost subsidies. The decontrol shock has been sustained without disastrous price movements or run-away markets. Many milk markets report that not a single complaint has been received by milk distributors or dairy farm organizations.

There were compelling reasons for decontrolling dairy products. Dairy products should have been decontrolled because:

1. Production of milk is adequate for normal prewar consumption levels.
2. Subsidies accompanying price control have distorted the economic value of dairy products in relation to other foods, causing false impressions of scarcity.
3. Prices under subsidized controls caused an unbalanced output of dairy products—inflating milk consumption, violently depressing butter, and upsetting all normal relationships among products.
4. Price control was steadily forcing milk production downward in many areas.
5. The black market in butter was taking 60 to 80 percent of the total supply.
6. The \$700,000,000 program of subsidies on dairy products is an inflationary increase in the public debt.

Decontrol occurred on June 30, and there are now the following reasons for refusing to put dairy products back under price control:

1. Price increases approximating the amount of subsidies have occurred country-wide.
2. The dreaded shock of going from subsidy to free-market prices has been overcome. It would be unjust to subject dairy farmers to double jeopardy by thrusting them again under the torture of uncertain returns.
3. Price increases in some cases exceeded, and in others failed to equal, the July subsidy rate. This highlights the inequalities which existed under previous ceilings, and reflects the hardship which would be imposed on some producer groups by the reimposition of ceilings.

Civilian consumption of dairy products, per capita, this year will be equivalent of 814 pounds of milk—2 percent more than the average of the prewar years 1935-39. Consumption in 1946 will be more than in any single year since 1942, and only 3 percent less than in the all-time record in that year.

Clearly the quantity of dairy products, in terms of the milk required to produce them, now is adequate in relation to any previous experience of peacetime demand.

No doubt, some will be skeptical of this statement because of the scarcity of butter. Butter is scarce. Civilian consumption of butter this year will be only 60 percent as large as in 1939. The shortage of butter is fantastic—but it is not due to an over-all shortage of milk. Butter is the shortest item among a total of 44 foods or groups of foods on which the Department of Agriculture has published estimates of 1946 supplies. Butter is the shortest item among 14 whose consumption is currently below the 1935-39 level. But, to repeat, butter is not short because of an over-all shortage of milk. Butter is short because price control forced the production of dairy products out of line.

The supply of butter this year will be 40 percent under prewar. But condensed and evaporated milk supplies will be 4 percent above prewar. Total cheese consumption will be 18 percent above prewar. Fluid milk and cream will be 34 percent above prewar. And ice cream consumption, on the basis of output figures for the first quarter of 1946, will be from 100 to 150 percent greater than prewar. The increased amount of milk being used for ice cream, for fluid milk, evaporated

milk and cheese is more than enough to replace the butter that has been lost.

We have enough milk for normal requirements. Price control, however, kept dairy products unreasonably low in price. It did so by maladjusted ceilings and by subsidies which even further cheapened dairy products relative to other foods and to consumer purchasing power. That has been the principal reason for the disproportionate increases in consumption of all dairy products except butter. Butter was the goat, the reservoir of butterfat which was sacrificed to hide the errors of dairy price control.

The butter shortage has been analyzed here so that it may be seen in its proper relation to the over-all milk situation. During the debate on June 27, Senator TAFT explained that the agricultural commodity is milk, and not the products derived from milk. Mr. TAFT said, "The question has been asked, whether the language to which I have referred would prohibit the imposition of maximum prices on cream. The dairy interests, for example, were concerned because they wished to have controls continued on cream if they are to be imposed on butter and other products of milk. My only purpose in making this statement is that, in our interpretation, the words 'agricultural commodity' apply only to the original commodity which is milk, and do not apply to articles such as cream processed from the original commodity." (CONGRESSIONAL RECORD, June 27, 1946, p. 7805.)

From this statement, I would conclude that dairy products would not be considered in short supply when the quantity of milk available for dairy products in total is adequate although some of the products individually may be below an adequate level.

We still are producing enough milk to meet the "adequate supply" standard for decontrol. But if the June 30 price controls are reinstated on dairy products it will be only a short while until the present dairy production trend will carry us below the adequate level. The testimony of dairy witnesses during all the hearings on price control, and during special hearings of the agriculture committees of both Houses of Congress, has shown the damaging effect of price control on milk production. Total United States milk production in 1945, by grace of the second best pasture season on record, was 122,000,000,000 pounds as compared with 119,000,000,000 pounds 3 years earlier, in 1942, before price control reached extreme rigidity. But in 1945 there were 23 States which produced less milk than in previous years.¹ Of these 23, there were 17 which produced less than in 1942.

Price control policies are responsible for these declines. Deficit areas have been hit by a policy which adjusted dairy farm returns on a Nation-wide average basis. As a result, some areas with below average cost back 5 years or more in dairy production, while areas with average cost increases were forced to liquidate their herds. In addition to the deficit area problem, milk production has been hard hit where farmers have had to continue their dependence on butter as the market for their product. In most of the "butter belt," milk production in 1945 was the lowest it had been since 1938 to 1941. A dozen States have now been set back five years or more in dairy production. All this is not the way to bring forth maximum supplies of milk for peace-time needs.

¹ As follows: Maine, New Hampshire, Massachusetts*, Rhode Island, Minnesota*, Iowa*, North Dakota*, South Dakota*, Nebraska*, Kansas*, South Carolina, Tennessee, Louisiana, Texas*, Montana*, Idaho*, Wyoming*, Colorado*, New Mexico*, Arizona*, Nevada*, Washington, and Oregon*. Asterisks indicate States producing less milk in 1945 than in 1942.

The effects of price control on milk production were testified to by dairy farmers appearing before the Senate Committee on Agriculture and Forestry on May 15 and 16. Testimony of these witnesses was splendidly analyzed by the committee report on this investigation, from which I would like to quote:

"That dairy production is falling appears incontestable; but the production figures showing such a decline are more optimistic than the situation warrants. For example, April total milk production ran about 2 percent under April 1945, but as of January 1946, cow numbers were 3 percent under a year ago and the rate of slaughter has increased since that time. The fact appears to be that the dairy farmers are culling their herds of the lower-producing cows and that the loss of this production is canceled by the resulting higher rate of production per cow.

"Because the basic difficulties among dairymen are traceable largely to questions of price, the ultimate responsibility for prevailing conditions lies with the Office of Price Administration and the Office of Economic Stabilization. These agencies have put price control ahead of production. Repeatedly the committee's attention was directed to instances where local price relief which would have increased production was denied on the simple ground of 'hold the line.' This occurred even in Federal order markets where the stabilization agencies forced the indefinite postponement of action on producer prices under the Marketing Agreement Act.

"OPA has taken the position that local production cost increases have nothing to do with local price increases. The inevitable effect of such a policy pursued in market after market has been to aggravate the national shortage of milk for all purposes. The policy has been effective despite the readiness of the OPA to raise the ceilings on the grains going into feeds, on the prices of farm machinery, and on other milk production costs, e. g., transportation rates on milk. The stabilization agencies have maintained this policy in the face of permitted increases of almost 20 percent in national wage rates in order to maintain take-home pay. As one witness put it, 'Farmers would be glad to receive the same price for 80 pounds of milk as they did for 100 pounds.'

"The OPA policy that production is not important has created distressing anomalies in many dairy areas. The testimony showed that in the South anywhere from 25 to 55 percent of the milk in the larger markets was being imported from other regions. The handler pays for the imported milk from 75 cents to \$1.75 per hundredweight more than he pays to local producers. This milk is commonly of a quality suitable for manufacturing but which does not meet fluid milk health standards. Often it is reconstituted milk made by recombination of water, condensed skim milk, and cream. It is obviously unreasonable to expect local producers of grade A milk or its equivalent to produce for less than the cost of imported inferior milk. In these circumstances the health department of Houston, for example, has had to recommend no return to a grade A standard because the production of grade A milk even in the flush season is falling at the rate of 1,000 gallons a day. The effect of the policy, therefore, is to compel the producer of the superior product to accept less than the cost of the inferior product—a policy hardly reconcilable with common sense.

"The evidence showed that prior to the imposition of price control there were steady and substantial increases in milk production, particularly in the South. With the advent of price control the rate of increase dropped sharply or became a decrease. Witnesses

unanimously attributed these reversals of trend to the policy described. The committee concurs in this view.

It is to be observed that losses in production consequent on OPA policy are not replaceable in a moment, for it takes 2½ to 3 years merely to bring a cow from calfhood to production and another year to determine whether she is a good enough producer to warrant her keep. Therefore the crippling of milk-producing regions will be felt for some time to come.

* * * * *

"The butter problem is an example of the disruption of the internal price structure of the dairy industry consequent upon price regulation. The problem has two aspects. First, the imports of milk into deficit areas are largely coming out of areas where butter had been the chief dairy product. Similar diversions of milk normally used for butter into more profitable use classifications both in the production area and out were reported by all witnesses from butter producing regions. Second, the witnesses agreed that in the regions where butter is normally made from farm-separated cream, the price is too low to support production. The scarcity of butter is too well known to need documenting; but the president of the largest butter cooperative on the west coast testified that the total butter handled by his organization in the first quarter of this year less than one-tenth of the corresponding period last year; and of this less than half was locally produced. The president of a large Middle Western cooperative anticipated a make of about 50 percent of last year and pointed out that some of their member creameries who could handle only butter have already closed. The reason for the situation is simply that the price of butter is too low to meet the costs of producing cream for butter. The farmer must either turn his milk to other uses or quit producing.

"OPA has attempted to evade all these price problems by subsidizing the consumer with Government grants to producers. Measured by any standard this is no solution to the dairy problem. It is not maintaining production, for all the evidence was that production is declining. The program has been carried out on a national basis whereas the evidence has shown that market-area costs are crucial problems to be dealt with. In the case of small producers—particularly the producers of farm-separated cream—the subsidy payment is so delayed that the farmer often has not the cash resources to feed his cattle in the meantime. It is subject to the changing will of Congress. No dairyman can make the long-range plans essential to his business when a fifth to a third of his income depends upon political and administrative decisions which he cannot anticipate. This factor contributes to declining production.

* * * * *

"Witnesses unanimously recommended removal of price controls and subsidies on dairy products. The evidence showed that in such event minor price rises of from 2 to 4 cents per quart would occur. These raises would run from 14 to 13 percent of the retail price compared with current wage raises run-

ning to 18½ percent. Butter would rise to 70 or 80 cents as compared with the \$1 to \$1.50 per pound which the housewife now pays when, as is very frequent, she churns it herself, or buys it in the black market."

The scarcity of butter has been referred to. A natural outcome of this scarcity was a colossal black market. The Banking and Currency Committee was informed that a survey of butter distributors showed only 10 to 20 percent of the prewar volume of butter passing through its former channels. Cheese, also was driven under the counter. The black market price of butter was \$1 a pound or more, compared with legal retail price ceilings of about 56 cents per pound. Housewives in many instances bought bottled cream from which they churned butter themselves at a cost of \$1.50 per pound. Here there were no shady characters, no furtive under-the-counter deals, and no illegitimate profits, but it made the legal ceiling price on butter look absurd.

Throughout the picture of dairy price controls runs the distorting influence of the subsidy program. In the last fiscal year these subsidies cost the Government \$515,000,000. The program now contemplated would cost \$700,000,000. The program announced by former Stabilization Administrator Chester Bowles on April 15 would have cost \$1,080,000,000 in this fiscal year. Overexpansion of the Government debt has been a primary cause of whatever inflationary potential exists today. Subsidies contributed hugely to that debt increase. Continuation of subsidies will wreck or at least seriously hamper the Nation's fight against inflation on the fiscal front.

What I have said and what the committee said amplify the reasons for the Senate at once acting to decontrol dairy products. These are the over-all adequacy of milk supply, the distortion of demand at subsidized prices and maladjusted ceilings, the crippling effect on milk production, and the growing black markets.

Although the action to decontrol dairy products was rescinded in conference, the ending of price control on June 30 opened the way to free market adjustment of price ceilings. After a week of free markets, we have some idea of how little danger there was in decontrol of dairy products. Prices of manufactured dairy products have moved up only enough, or less than enough, to offset the expected July subsidies. The individual fluid milk markets have moved up approximately the amount of subsidies.

I should like to have printed in the RECORD at this point a letter which was addressed to the members of the Senate by Mr. Charles W. Holman, Secretary of the National Cooperative Milk Producers Federation. Mr. Holman calls attention to the great harm done to production by the uncertainty over subsidies; to the success with which prices now have adjusted themselves, and to the great confusion and injury which would result from reimposing price ceilings and subsidies.

The National Cooperative Milk Producers Federation has conducted a telegraphic survey of dairy price movements during the past week. I have here a narrative summary of

this survey, including a summary for each State, and also a tabular summary giving, by States, a detailed picture of the price changes which have occurred and which are contemplated for the near future. I should like to have printed in the RECORD at this point the contents of these summaries.

In reviewing the dairy price changes which have occurred since June 30, those movements should be appraised in the light of the price situation which existed prior to that date.

Opponents of price decontrol formerly argued that chaotic price increases would follow the removal of ceilings on dairy products. They agreed, however, that increases at least equaling the amount of subsidies would be warranted. On the other hand, a principal argument for decontrol has been that OPA followed the national average standard instead of local conditions in setting price ceilings for individual fluid milk markets. In those markets which were unjustly treated by OPA the increase in price had to be greater than the amount of the subsidy. OPA partisans will point to price occurrences in such markets as justifying the restoration of controls. On the other hand, newspaper stories do not dramatize the instances where no price increases have occurred. By virtue of unequal cost changes in various parts of the country, the areas with above average cost increase are offset by areas with below average cost increases. No price changes have occurred in large numbers of Midwestern markets, including Detroit, Toledo, Cincinnati, and numerous smaller places. Increases of only 1 cent per quart have resulted from negotiations in numerous individual markets. The price movements that have occurred are merely a leveling out process. Rather than justifying a return to price control, they constitute a major indictment of the former price ceilings and of the policies by which those ceilings were fixed.

Since June 30, black markets in dairy products have disappeared, to the dismay of the black marketeers. One story which appeared in the New York Times of July 3 is amusing, but has a sober moral. I quote:

"One delicatessen merchant, with a large Broadway shop in the nineties, admitted his bafflement at the psychology of housewives. For weeks he had been selling butter at the black-market price of \$1 a pound, and housewives bought eagerly the packages he brought up surreptitiously from under the counter. Yesterday he stacked his display case high with fresh butter, still at \$1 a pound, and made hardly a sale.

"Customers who weren't at all touchy about the black market, give me dirty looks now, mutter about 'inflation,' and won't take it at the same price," he said."

To sum up: In addition to the original reasons for decontrolling dairy products we now have the facts that decontrol has occurred, that price adjustments which have occurred are largely in line with the subsidies which were terminated, that the shock of moving from subsidy to full price at the market has been weathered, and that confusion and injury would be compounded by reestablishing ceilings on dairy products.

Reports of dairy market conditions, July 3-7, 1946¹

State	Market	Price increases already effective		Price increases expected	
		Milk producer, per hundredweight	Milk retail, per quart	Milk producer, per hundredweight	Milk retail, per quart
Alabama	Montgomery		2 cents		
Arizona	Phoenix	(2)	(3)		2 cents.
California	San Francisco	55 cents	2 cents		
Do	Los Angeles	65 cents	do		
Colorado	Denver			Subsidy ²	2½ cents.
Connecticut	Hartford	93 cents	2 cents		
Delaware	Wilmington	94 cents	3 cents		
District of Columbia	Washington	90 cents	do		
Florida	Miami				2 cents.
Georgia	Atlanta	75 cents	2 cents		
Idaho	Caldwell, Idaho Falls	(1)			

Footnotes at end of table.

Reports of dairy market conditions, July 3-7, 1946¹—Continued

State	Market	Price increases already effective		Price increases expected	
		Milk producer, per hundredweight	Milk retail, per quart	Milk producer, per hundredweight	Milk retail, per quart
Illinois	Chicago	Formula ²	1 to 1½ cents		
Indiana	Evansville	(3)	(3)	65 to 70 cents	
Do	Muncie	(3)	(3)	Subsidy	
Do	Terre Haute	(3)	(3)	do	
Do	Indianapolis	12 cents lower	(3)		
Do	Fort Wayne	(3)	(3)		
Iowa	Keosauqua	(3)	(3)		
Do	Sioux City	Formula	(3)		
Do	Des Moines	(3)	(3)		
Louisiana	New Orleans	Formula	(3)		
Kentucky	Louisville		2 cents		
Do	Paducah	40 cents	1 cent		
Maine			3 cents	\$0.93 to \$1.10	
Maryland	Baltimore	\$1.10	do		
Massachusetts	Boston		do	\$1.05 to \$1.20	
Michigan	Adrian	(3)	(3)	Subsidy	
Do	Detroit	(3)	(3)		
Do	Flint	(3)	(3)		1½ to 3 cents
Minnesota	Duluth	Formula		Subsidy	
Do	Rochester	(3)	(3)	For increased milk costs and to adjust product inequities.	
Do	St. Paul	Subsidy	1½ cents		
Do	Land O' Lakes			Will follow market up 15 cents on butter July 8.	
Missouri	Springfield	(3)	(3)	Subsidy	
Do	Kansas City	(3)	(3)		
Do	St. Joseph	37 cents	1 cent		
Nebraska	Omaha	(3)	(3)		
New Hampshire	Manchester		3 cents effective July 7		
New Jersey	State-wide			92 cents (July 17)	2 cents (July 17)
New York	New York				2 cents (July 9)
Do	Roschester		3 cents		
Do	Buffalo		do		
North Carolina	Greensboro		2 cents		
Ohio	Akron	(3)	(3)		2 cents
Do	Cantou	(3)	(3)	Subsidy	
Do	Lima	(3)	(3)		
Do	Toledo	Formula	(3)	40 to 45 cents	1 cent
Do	Dayton	do	(3)		
Do	Columbus	do	1 cent effective July 8		
Do	Cincinnati			No change before Aug. 1	
Oklahoma	Enid	(3)	(3)	Subsidy	
Oregon	Portland			75 cents	2 cents
Pennsylvania	Pittsburgh	(3)	(3)		
Do	Allentown		1 cent		
Do	Philadelphia	94 cents	3 cents		
Do	Lancaster	do	do		
Rhode Island			do	93 cents to \$1.10	
South Carolina	Charleston	80 cents	2 cents		
Do	Columbia	do	do		
Do	Greenville	do	do		
Do	Spartanburg	do	do		
Tennessee	Memphis	(3)	(3)	Subsidy and feed costs	27½ cents
Do	Knoxville			65 cents	
South Dakota	Sioux Falls		2 cents		
Texas	Houston	75 cents	do		
Do	Plainview		2 to 2½ cents		
Do	Corpus Christi	\$1.20 (subsidy and feed costs)	3 cents		
Utah	Ogden	72 cents	2 cents		
Washington	Spokane	55 cents			2 cents
Do	Seattle	do		Subsidy	
Wisconsin	Central Grade A Co-op				
Do	Milwaukee	(3)	(3)	Subsidy	
Do	Superior	Formula	1½ cents		
Do	Pure Milk Products	Few, 10 to 15 cents			

¹ Conference between producers and dealers for purpose of negotiating a new producer price.² "Subsidy" indicates price change to offset subsidies.³ Indicates that no change has occurred.⁴ "Formula" indicates price based on prices of manufactured dairy products.

National butter markets

Market	Grade	Prices (cents per pound)		
		June 28	July 3	July 5
New York	93 score	57¾		
Do	92 score	57¼	71-72	70-71½
Do	90 score	57	69-69½	69¼-69¾
Do	89 score		66	66½
Chicago	93 score	57	70	(1)
Do	92 score	56½		
Do	90 score	56¼	69	
Do	89 score		68	
Do	88 score		66½	

¹ Market closed, but "street" prices reported to be about same as July 3.

Cheese prices, July 3-7, 1946

State	Market	Action
Wisconsin	Plymouth: Wisconsin Cheese Exchange.	At request of Secretary Anderson the regular Friday meeting was not held.
Do	Cheese Producers Marketing Association.	Swiss and other types up by amounts requested in petition filed with OPA in June.
California	Los Angeles	Cheddar cheese price up 5 cents per pound.
Idaho	Idaho Falls	Cheddar cheese price up 4 cents per pound.
Oregon	Portland	Cheddar cheese price up 5 cents per pound.
Do	Tillamook	Cheddar cheese price up 5.2 cents per pound.
Washington	Seattle	Cheddar cheese price up 5 cents per pound.

THE NATIONAL COOPERATIVE

MILK PRODUCERS FEDERATION,

Washington, D. C., July 6, 1946.

To the Members of the United States Senate:

In again urging you to spare the dairy farmers of this Nation from the evils of price controls and subsidies, I now call your attention to certain developments which make it apparent that either Senator WHERRY's or Senator McCARRAN's amendment to exempt milk and its products from the provisions of the new price control bill (H. J. Res. 371) should be supported.

We opposed the inauguration of wartime subsidies and pointed out that as production needs and farmers' costs increased, subsidies would have to increase. Before congressional committees and otherwise, we have repeatedly called attention to the uncertainty and fear created among dairy farmers by prolongation of the Government's subsidy policy. Fear of sudden termination of subsidies without compensatory price rises at a time when increased production might no longer be needed has been an important psychological factor causing the lessening of milk production this year as compared with 1945.

Subsidy rates in lieu of fair prices have steadily increased until by April 15 it would have been necessary in order to carry out the

announced dairy program for the Congress in the current fiscal year to appropriate \$1,080,000,000. Caught in his own trap, former Economic Stabilization Administrator Chester Bowles on May 29 was forced to eliminate a part of this huge fund by ordering a general price increase of 40 cents per hundred pounds of milk or 10 cents per pound of separated cream. This still left a requirement of over \$700,000,000 to carry out the Government's commitments.

The higher rates of subsidies and the increased percentage of dairy farmers' income represented by subsidies intensified the fear of producers, handlers, and Government officials of the economic shock which might be produced by their sudden termination.

After VJ-day it became clear that the Government's policy was to eliminate subsidies and price controls on dairy products only after purchasing power had begun to decline. This heightened our fear because under such conditions it would be impossible to transfer to the consumer a price increase equivalent to the subsidies presently being borne by the Government.

It also became apparent to all familiar with the dairy industry that any congressional policy providing for gradual removal of subsidies at stated intervals would deter the normal movement into consumption of storable dairy products because of the opportunity of profit gains as a result of withholding. We, therefore, advocated the termination of both subsidies and price controls on June 30, 1946. This date was picked as being the best seasonal period in the interest of the general public.

Sudden termination of subsidies did occur when President Truman vetoed the price-control bill (H. R. 6042). This action left all dairy farmers without any assurance of the continuation of their present incomes and threw the entire dairy industry into an expected turmoil. However, corrective forces immediately got into play.

In at least nine States milk-control authorities renewed their functions which had been almost paralyzed by Federal war-power legislation. Organized producers reassumed their rights of price bargaining. On July 3 the butter markets renewed trading and as this is written prices of milk have advanced over a considerable part of the country. The wholesale butter markets went up almost the exact amount of the butterfat subsidies and in nearly all of the great milksheds milk price rises to producers were also only on a subsidy-compensation basis.

Belatedly, Secretary of Agriculture Clinton P. Anderson, on the evening of July 5, urged dairy farmers not to seek higher prices in the market place until after the Congress acts upon pending legislation. In this statement Secretary Anderson guaranteed retroactive payments of subsidies provided Congress allowed the funds. Such payments if continued could only be for a short while if \$869,000,000 provided in the pending bill for subsidies for noncrop agricultural commodities is equitably divided over the entire list of commodities now subsidized. That, of course, will force the Secretary shortly to order the raising of price ceilings anyway.

Thus the country will be faced with the ridiculous situation where, first, the President removes all price ceilings and subsidies. Then the Congress restores them and makes them retroactive. Then the Secretary, for lack of funds, will have to raise them again. We cannot believe that any good result will come from these contradictory moves. We cannot believe that consumers will approve having their prices juggled up and down nor that persons who have traded legally on higher price levels should lose vast sums because of a law with a retroactive provision in it.

A telegraphic and telephonic survey conducted by us during the past 3 days shows little or no adverse action among urban consumers to the price rises which have occurred.

Apparently the vast body of them understand that when the Government stops paying part of their grocery bill they must pay it themselves. In some communities there will be a slight recession in the demand for fluid milk which will release needed quantities to be made into butter and other manufactured dairy products. Already there is a noticeable increase in the supplies of butter available and this may be expected to continue under free enterprise.

A return to the controls and price-ceiling basis of June 30 will throw butter back into the black market to the great injury of the dairy industry and the consuming public. It will force increasing quantities of cheese into the black market. It will unsettle prices in those States where State milk control authorities already have raised prices moderately, and in a number of major interstate milk sheds which do not operate under State control.

As previously indicated, the organized producers and the manufacturing and distributing elements of the dairy industry are well equipped to handle this situation. Our historic policy is, and will continue to be, the pricing of dairy products on a reasonable basis and with full knowledge of what consumer reactions will be. Except in a few isolated cases, organized dairy farmers have never sought to take advantage of scarcity. They would not be able to do so for any length of time because of the sensitiveness of the product to price.

For the above and many other reasons we urge you to give free enterprise a chance in the production and distribution of dairy products and not force us back into a condition of regimentation which has been so administered as to make it hateful to our people.

Sincerely yours,

CHARLES W. HOLMAN,
Secretary.

KEEP DAIRY PRODUCTS FREE FROM PRICE CONTROLS AND SUBSIDIES—10 REASONS WHY

1. Price controls and subsidies are now removed from dairy products. There has been no catastrophic result. There are no run-away markets. Prices have been increased on some 60 major fluid milk markets to make up for the subsidies and to restore to farmers the subsidy-or-price rate of return that was pledged to them for July. Similar rational price increases are taking place in butter, cheese, and other manufactured dairy products. There is little or no consumer complaint.

2. Freed from price controls that stifled production and diverted most of the supply into the black market, butter is reappearing on the shelves of the legitimate retailers. Consumers once again have their choice of dairy products—whether butter, cheese, milk, ice cream, or other forms of milk.

3. Milk control authorities in at least 10 States have resumed their prewar responsibilities and have authorized nominal price increases. These State control authorities, and those in other States, will adhere to their public responsibility in maintaining fair and equitable price returns to producers and preventing undue price rises to consumers.

4. Farmer-owned dairy cooperatives in every part of the Nation have resumed their traditional price bargaining prerogatives. They are fully aware of the fact that while adequate producer returns are necessary to assure full milk production, reasonable and satisfactory consumer prices are also necessary to maintain consumption. Organized producers and the manufacturing and distributing arms of the dairy industry will continue to recognize their responsibility of pricing and distributing dairy products on a fair basis.

5. To reimpose price controls and subsidies would displace a stable and rational status quo with all of the confusion, malad-

justed price relationships, and barriers to production that have for more than 3 years demoralized the dairy industry.

6. To reimpose price controls and subsidies would impose severe losses on many conscientious handlers of dairy products who have in good faith made purchases under existing prices.

7. To reimpose price controls and subsidies would turn butter and cheese back to the black market; thwart the dairy farmer in his production program; invite the continued dispersal and culling of herds; and encourage the downward trend of milk production.

8. To reimpose price controls and subsidies would force the Government to juggle prices down and then up again. It would mean a roll-back in market prices that are now established at reasonable levels. Once the prices were rolled back, the Secretary of Agriculture would soon be obliged, for lack of subsidy funds, to increase them again. Either that or the Congress would have to appropriate more than is now contemplated in the OPA bill for dairy subsidies for the current fiscal year.

9. To reimpose price controls and subsidies on dairy products would add to the public debt the \$2,000,000 or more a day now required for dairy subsidies. It would add this much more to inflationary spending power.

10. To reimpose price controls and subsidies on dairy products would be an attempt to restore the myth that subsidies keep prices down when, as a matter of fact, they are merely on-the-cuff payments by the Government to be settled for later by the taxpayers.

DAIRY PRICES MOVE UP WITHIN SUBSIDY LIMITS

Telegraphic and telephonic reports to the National Cooperative Milk Producers' Federation from 39 States indicate rather general increases in producers' milk and butterfat prices to compensate for loss of subsidies and to restore the price-or-subsidy level of returns previously pledged to them by the administration. There were no run-away markets and little, if any, consumer resistance to the higher prices.

Retail advances in fluid milk were in effect or immediately contemplated in upwards of 60 important milksheds, as well as numerous secondary markets. No price increases were reported in 16.

Butter moved upward almost the amount of the subsidies. In the July 6 trading on the New York Mercantile Exchange, for example, 92-score butter moved in a range of 70 to 71½ cents per pound, or a maximum of 14¼ cents over the June 28 price. The July butter subsidy would have been the equivalent of 14.4 cents per pound. Chicago trading was within similar limits.

On the Pacific coast cheese prices went up an average of 5 cents per pound. At the request of the Secretary of Agriculture, the July 5 meeting of the Plymouth Cheese Exchange was suspended. Cheese advanced in many markets, however, between 4 and 5 cents per pound. The subsidy equivalent for cheese is about 6.5 cents per pound.

In at least 10 States, State milk-control authorities resumed their prewar responsibilities and took the lead in establishing prices to maintain the promised July returns to farmers. In Pennsylvania an increase of 1 cent per quart was authorized and hearings were ordered in respect to a further adjustment. In Alabama, Connecticut, California, and New Jersey the increase was 2 cents a quart. In Massachusetts, Maine, New Hampshire, and Rhode Island a 3-cent advance was made effective. In New York State advances of 2 and 3 cents were approved.

In other States local price increases were negotiated by producer organizations on a traditional free-market bargaining basis. Retail price advances in most instances ranged from 1 to 2 cents per quart.

Variations in price raises were largely accounted for by regional differences in the subsidy rates to be offset. Subsidy rates which had been scheduled for July are 20 cents per hundredweight higher than the July subsidies of a year ago, and range from 65 to 95 cents per hundredweight. A subsidy of 65 cents per hundredweight is equivalent to 1.4 cents per quart; 95 cents per hundredweight equals 2 cents a quart.

In addition to subsidies paid to producers, dealer subsidies were in effect in some markets. In some instances, also, current price advances included increases in costs of production where OPA had not made compensatory adjustments for higher-cost areas. Increases in commissions to organized plant and route labor is included in some retail advances where the producer increase does not round out the cent or half cent.

Following is a July 8 price situation summary by States:

Alabama: Milk up 2 cents in Montgomery and several other cities, with others preparing for similar advance under authority of State milk-control board; Board prepared to halt any runaway price tendency.

Arizona: Two-cent advance in milk expected week of July 7 in Phoenix and other points. Manufactured prices will reflect elimination of subsidies.

California: State department of agriculture authority allowed a 2-cents-per-quart increase. Los Angeles home delivered milk 17½ cents. Wholesale butter up 12 cents, cheese 5 cents. Price increases held to amount of June subsidy in all markets.

Connecticut: Class I fluid price to producers raised 93 cents per hundredweight throughout State. Allowing for milk in other classes, this exactly replaces the July subsidy of 85 cents. Consumer price up 2 cents.

Colorado: Negotiations under way with Denver distributors for producer price increase. Contemplated advance in retail price 2½ cents per quart July 8.

Delaware: Wilmington producers' prices up 94 cents per hundredweight. Retail price up 3 cents per quart to 19 cents.

Florida: Only price increase contemplated is 2-cent milk rise to compensate for subsidy.

Georgia: Price to advance July 8 only enough to absorb subsidy loss, from 18 to 20 cents per quart in Atlanta. Producer prices from \$3.80 to \$4.55 per hundredweight.

Idaho: Butter up 10 cents and cheese 4 cents per pound to offset subsidies. Contemplated fluid price advance will not increase net returns to producers and will only offset subsidy.

Illinois: Chicago and suburban producers' prices will follow Federal order flexible price formula. Retail milk up 1 to 1½ cents per quart; butter, 70 cents wholesale. Condensed series posting producer prices for July milk from 10 to 20 cents per hundredweight higher than in June.

Indiana: No contemplated price increases except to offset subsidy. Proposed increase for Evansville producers of 65 to 70 cents per hundredweight July 8. Terre Haute in process of raising prices "to offset loss of subsidy payments to producers." Proposed Muncie increase will "equal regular payment plus amount promised through subsidies." No immediate price increases in Indianapolis or Fort Wayne.

Iowa: No immediate price advances. Sioux City producers "plan on raising prices just enough to compensate for losses occasioned by subsidy removal."

Kentucky: Louisville quart prices up 2 cents July 8. Paducah producers' prices up 40 cents per hundredweight and retail price up 1 cent, but with removal of subsidy producer returns are below month ago.

Louisiana: No immediate increase in milk prices.

Maine: General 3-cent milk price increase through State milk-control board action.

Maryland: Baltimore producers' price increased \$1.10 per hundredweight; 3 cents per quart retail. Producers for Washington, D. C. market receiving 90 cents per hundredweight increase. Retail price up 3 cents per quart. Eastern Shore producers price increased 94 cents per hundredweight July 8.

Massachusetts: Three cents per quart increase authorized by State Milk Control Board. Producer price for Boston to be determined July 9, between \$1 and \$1.20 increase per hundredweight.

Michigan: No immediate price advances. Reports from two sections contemplate 1½ to 3 cents raise to replace canceled subsidies; eventually expect raises to be gradually made to absorb amount of subsidy, but no more.

Minnesota: Minneapolis-St. Paul retail prices up 1½ cents per quart with prices to producers raised only enough to compensate for loss of subsidies. Similar compensating increase being negotiated by Duluth shippers. Butter up 14 to 16 cents.

Missouri: Absolutely no runaway prices. Springfield reports "must announce producers prices immediately with increase only to compensate for dairy production payments." St. Joseph producer prices up 37 cents per hundredweight and retail price up 1 cent. Producer-distributor conference to be held later on further price adjustment. No immediate price increase in Kansas City.

Nebraska: No upward price movement reported.

New Hampshire: Milk price up 3 cents July 7 over entire State under State Milk Control Board.

New Jersey: General State-wide 92 cents per hundredweight milk price increase effective July 17 through action of State Milk Control Board. Retail advance 2 cents per quart. South Jersey producers price up 92 cents per hundredweight July 8. Retail increase 2 cents per quart.

New York: Retail milk prices in Buffalo and Rochester up 3 cents. New York City prices advance 2 cents July 9.

North Carolina: Greensboro reports 2-cent increase in milk July 8.

Ohio: Columbus producers association asking increase to offset subsidies. Toledo producers to confer on increase of 1 cent per quart July 9. Akron producers contemplating 2-cent increase. Canton producers' group to confer with buyers July 8 on increase for loss sustained by subsidy removal. No immediate compensating increase in Cleveland or Dayton. No increase will be made at Cincinnati until August.

Oklahoma: No immediate price adjustments.

Oregon: Portland milk price expected to move from 15 to 17 cents July 9. Butter up 12 cents and cheese 5 cents to compensate for subsidy.

Pennsylvania: One cent per quart price advance authorized by State Milk Control Board. Hearing of Board scheduled July 10, 11, and 12 on further advance to compensate fully for subsidy removal. Philadelphia producers price up 94 cents per hundredweight July 8. Retail price up 3 cents.

Rhode Island: General 3 cent per quart milk price increase under State Milk Control authority.

South Carolina: Retail prices up 2 cents per quart in Charleston, Columbia, Greenville and Spartanburg. Producer price up about 80 cents per hundredweight.

South Dakota: Sioux Falls fluid price up 2 cents.

Tennessee: Knoxville milk price advances from 16 to 18 cents per quart July 8 with 65 cents per hundredweight increase to producers. Butter up 10 cents to 71 cents wholesale. Price increase for Memphis contemplates recovery of returns lost in subsidies.

Texas: Price changes in South Texas July 4 "just enough to cover July subsidy" and amounting to 75 cents per hundredweight to producers; 2 cents a quart to consumers. Increase in Corpus Christi and Rio Grande

Valley 3 cents. Coastal Bend producers price up \$1.20 per hundredweight. Increases of 2 to 2½ cents per quart general over other parts of Texas and New Mexico.

Utah: Producers price Ogden up 72 cents per hundredweight; 2 cents a quart, effective July 5.

Vermont: Producers in Boston milkshed to receive approximate \$1.00 to \$1.20 per hundredweight increase.

Virginia: Milk in Washington, D. C. market advanced 3 cents per quart. Producers receiving 90 cents per hundredweight increase.

Washington: Spokane and Seattle producers price advanced 55 cents per hundredweight. Prospective retail increase 2 cents per quart.

Wisconsin: Little or no change in dairy product prices. Milk price advance of 1½ cents per quart expected in Superior.

Mr. WHERRY. Mr. President, the \$1,800,000,000 Bowles' program of subsidies on dairy products has also caused, I think, an inflationary addition to the national budget. Because of that fact there were those who felt that if the subsidy were discontinued and milk met its own water level, it would have a tendency to help forestall inflation.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TOBEY. What does the Senator mean by milk meeting its own water level. The farmers and dairies are not ones to put water in milk.

Mr. WHERRY. I was not referring to what is done in New England.

Mr. TOBEY. Or in Nebraska.

Mr. WHERRY. Anyway, I appreciate the humor of the distinguished Senator. What I mean is this, that we are not now paying subsidies on milk, and milk prices are adjusting themselves.

Mr. TOBEY. May I add that the price advance in milk is less than the amount of the subsidy by a fraction, disproving the claims of the calamity howlers that milk prices have risen unduly with milk decontrolled.

Mr. WHERRY. That is the point I wanted to make, but the distinguished Senator from New Hampshire has done it in less time and more forcefully than I could.

That is the last of the compelling reasons I want to submit for the consideration of the Senate in behalf of the milk-decontrol amendment which is now pending.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MYERS. I notice in this morning's Philadelphia newspaper the following:

Indignant over prices of 10 cents a half pint and 14 cents a pint for milk, the Industrial Union of Marine and Shipbuilding Workers (CIO) posted a picket line last night at each of the nine lunch stands at the Cramp shipyard.

Does the Senator believe that the price of 10 cents a half pint or 14 cents a pint is merely an increase to take care of subsidies? There is a controversy as to whether the increase in the price of milk is only sufficient to take care of the subsidy.

Mr. WHERRY. The Senator will probably find that those are distributors' prices.

Mr. MYERS. They are prices which were charged at lunch stands in Cramp shipyard in Philadelphia.

Mr. WHERRY. I cannot say whether or not every distributor in the United States has increased his prices. I know the Senator would not expect me to do that.

Mr. MYERS. It is the inevitable result of such an amendment as the Senator is now proposing.

Mr. WHERRY. I think not. If the Senator will consider the fact that while production, as I have just stated, is comparable to that in prewar years, the American people consumed 35 percent more liquid milk last year than ever before and that consumption is 814 pounds per capita—the reason for which is that milk is cheap compared with other foods—I think he will agree that the price of milk under decontrol is getting back to a just basis. I am not saying that in every place in the United States prices have not increased in some respects out of line with the statement I made.

Mr. MYERS. Mr. President, will the Senator yield further?

Mr. WHERRY. If the Senator from Pennsylvania will wait for a moment, I will yield. I should like at this point in the RECORD to say that the liquid milk market for producers throughout the United States, including all States of the Union, from July 3 to July 7, and the price at retail for liquid milk and also butter, not only in the States but also in the towns, is not what it was on June 28, or what it was on July 3, what it was on July 5. If the distinguished Senator from Pennsylvania will take into consideration that the subsidy has been absorbed, I think he will realize that there has not been an increase in price but in some places the price is less than it was.

Mr. AIKEN and Mr. MYERS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield and if so, to whom?

Mr. WHERRY. I yield first to my distinguished colleague from Vermont.

Mr. AIKEN. I should like to suggest to the Senator from Pennsylvania that most of the States of the Union, including, I presume, his State, have milk control boards. I agree with the Senator from Pennsylvania that 14 cents a pint for milk is unwarranted under any circumstances. I do not know where the particular milk was purchased, but if I lived in Pennsylvania and I found that milk was being sold for such a price, I think I would ask the milk control board to do something about it. As I have said, 10 cents a half pint is unwarranted, except possibly in certain high-class restaurants or soda fountains.

Mr. WHERRY. I think it has been sold for that price for the last 3 or 4 years. I am sure I have paid 10 cents for a glass of milk here and there.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. MYERS. This morning's Philadelphia newspapers carry the story that milk is being sold at the lunch stands in the Cramp shipyard at 10 cents a half pint, or 14 cents a pint, and milk in a

few days will be sold in the Philadelphia area and throughout Pennsylvania at 19 cents a quart or higher.

Mr. WHERRY. Who said so?

Mr. MYERS. The milk distributors.

Mr. WHERRY. Oh, the milk distributors. The Senator reads in a Philadelphia newspaper a story written by a reporter who probably does not know any more about milk than he knows about meat, and it is not an authoritative report. It is akin to the report in the newspapers yesterday that \$1.50 was being paid for meat in Atlantic City.

Three hundred and twenty-five thousand people went to Atlantic City the other day when the price of meat was raised to \$1.50 a pound there. Perhaps the statement in the newspaper is true. The Senator takes a report from a newspaper reporter as an argument against decontrol, but I have given the statistics from the Department of Agriculture here showing that, taking into consideration the subsidy in every State in the union, the price of milk has not materially increased.

Mr. MYERS. Application has been made for a 3-cent increase in milk in the Philadelphia area, and if that is granted, then milk will be selling in the Philadelphia area for the highest prices in history. It is now selling in New York at the highest prices in 26 years. I am attempting to place the responsibility upon those who are advocating the decontrol amendment.

Mr. WHERRY. There might be some additional increases, but if there has been one section of the United States where there have been wage increases it has been in that area. The Senator can take the Philadelphia newspapers and the New York newspapers, and stand on the floor of the Senate and try to prove almost anything, but I say the figures I gave are taken from the Department of Agriculture. They run from July 3 to July 5, and are from 48 States of the union, and, considering that the subsidy has been absorbed, the price of milk has not increased.

Mr. AIKEN. Mr. President, if the Senator will permit me I should like to point out that the price of a half a pint of milk in the Senate restaurant just below us is 10 cents—10 cents a glass.

Mr. TOBEY. It would be 40 cents a quart, would it not?

Mr. WHERRY. Yes.

Mr. TOBEY. Forty cents a quart in the Senate restaurant.

Mr. WHERRY. That is the price in the restaurant of the Senate, so that is not out of line. I am not sure what the price is in Philadelphia, but we are paying the same in the Senate restaurant, and they have not increased the price since the controls were off. They will go down, and we will get rid of the black-market operators, and the impediments which prevent us from feeding the cows so that we can get the milk.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MYERS. I have here an article from the New York Times—if the Senator will yield to me for a moment—

Mr. WHERRY. I want the distinguished Senator from Pennsylvania to

know that I am always glad to yield to him.

Mr. MYERS. This increase may be occasioned by the removal of subsidies—I do not know—but this article, taken from the New York Times—

Mr. WHERRY. Will the Senator please quote his authority?

Mr. MYERS. The New York Times.

Mr. WHERRY. Who wrote the article? Who is the reporter? Who is the authority the Senator is quoting?

Mr. MYERS. The New York Times.

Mr. WHERRY. Very well.

Mr. MYERS. The article reads:

A lesson in contemporary economics was brought home sharply yesterday to the 7- and 8-year-olds at the recreation rooms and settlement, 86 East First Street.

The youngsters, who regularly get pennies at the settlement house to buy candy at a neighborhood shop, came back from the store with their pennies but without candy.

The man said prices were going up, they explained. No more penny lollipops. They now are three for a dime.

Whether the removal of the subsidies had anything to do with the increase in the price of lollipops I do not know.

Mr. WHERRY. I think that lollipop story has just as much weight as everything else the distinguished Senator said about the price of milk in Philadelphia and in New York. It is just a lollipop story.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the distinguished Senator from Vermont.

Mr. AIKEN. I should like to add that the OPA for weeks before the first of July was in the process of raising milk prices all over the United States, because it had found that milk could not be produced and sold for the price at which it sold when cost of production was much less. Then, when the subsidy was taken off, it became necessary to raise the price to offset the loss of the subsidy, which varies according to the time of year and according to the location, but on an average I would say there has been a subsidy of 2½ cents a quart to the dealer and the producer. Unless we wanted to take that amount of 2 or 3 cents a quart directly out of the producer or the distributor—it would be pretty hard to get it out of the distributor, from my experience—unless we want to take it out of the producer, the price had to be raised to an amount which would equal the amount of the subsidy. I am not sure we were wise in taking off the subsidy. In fact, I do not think it should all have been taken off at once. If it had been taken off a little at a time, until the last would come off, say, next spring, when milk would be over the peak price, it might have been better. But as a matter of fact it is off, and in order to obtain production of milk it has been necessary to increase the price enough to cover the subsidy. That is just plain common sense.

Mr. WHERRY. I thank the distinguished Senator for his contribution, because he comes from a dairy State, he operates a dairy herd himself, and he certainly knows something about the practical end of the production of milk.

Mr. AIKEN. I come from a State where a larger percentage of the people

are dependent on the sale of fluid milk for a living than in any other area.

Mr. TOBEY. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. TOBEY. I have not much to offer in the way of comment on the remarks about milk and the price, but I should like to point out that since I have been a Member of the Congress an amazing thing occurred which shows how far men will go in fantastic suggestions for legislation to cure the ills of the body politic.

It was Thomas Carlyle who said years ago, "The American people is that people which thinks it can avert fate and postpone doomsday by an act of Congress." He said that in sarcasm, but it is pretty nearly true.

While I have been a Member of Congress, a distinguished official of the Government came before the Committee on Agriculture of the House of Representatives, when I was a member of it, and asked for about \$3,000,000 of the taxpayers' money, and what do Senators suppose it was to be used for? To sterilize cows on the range so that they could not reproduce the species, with a consequent lack of milk and beef. That is an amazing thing, but it actually happened under the Capitol dome that that economic theory was advanced.

Mr. WHERRY. Will the distinguished Senator give the authority for his statement?

Mr. TOBEY. I shall be fair to all concerned. I sealed it over in my memory, and I leave the personalities out.

Mr. MYERS. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. MYERS. I merely wish to point out that when milk in the Philadelphia area and throughout Pennsylvania can sell at the highest price in history with controls off for only 1 week, I question what it will sell for if the controls are off for 2 or 3 weeks or 2 or 3 months. That is not a lollipop statement, it is a factual statement. Of course, we understand that prices are increased in many instances because of the removal of the subsidy, but the moment subsidies were removed, prices rose to the highest point in history. So I am concerned as to what the price may be 2 or 3 weeks, or 2 or 3 or 4 months from now.

Mr. WHERRY. I appreciate the last remark made by the distinguished Senator, because he is apprehensive that if controls are removed, without the payment of subsidies, milk will be higher to the consumer. Of course, he has a perfect right to that opinion, but if we remove the price impediments we will get production, and when we have production, of course, the price of milk will go down. If we do not get production, we will not have milk, and if we do not have milk, what is the difference what the price is?

Mr. MYERS. We have had milk on our doorsteps every day. True, we have not had meat in some instances, but we have had milk, and our children have had milk.

Mr. WHERRY. If the distinguished Senator will be fair with his statistics, he will have to admit that thus far in

1946 the production has gone below that of 1945; it is continuing to drop, and the reason is we cannot get production under the price ceilings of Chester Bowles.

Mr. MYERS. The Senator will admit that the demand and rate of consumption are greater, and the production has decreased.

Mr. WHERRY. Up until the last month we had a surplus of milk, based upon figures of former consumption, but in the past month and a half or 2 months it has been beginning to slump off. It is my opinion that it is because of OPA, and it is my thought that if the restrictions are removed, production will increase, and it will increase far more without the restrictions than with them. The only hope of getting a reduction in price is through increased production, and we cannot get that under the Bowles plan.

Mr. MYERS. Mr. President; will the Senator yield again?

Mr. WHERRY. I yield.

Mr. MYERS. The Senator has argued that controls should be taken off meat products, because we have an excess supply, we have a surplus of livestock.

Mr. WHERRY. That is correct.

Mr. MYERS. The Senator has argued that we should decontrol petroleum products—

Mr. WHERRY. No, Mr. President. The Senator's remarks about what I have proposed as to meat is true, I have done that, but not as to petroleum; but I am going to vote for that.

Mr. MYERS. It is argued that we should decontrol petroleum, because we have an excess supply. Now the Senator advances the argument that we should decontrol dairy products, when he admits we are in short supply.

Mr. WHERRY. Mr. President, I gave the record, that we had a consumption of 814 pounds per capita in 1946, and I said that if we could continue without controls it was my opinion that we would offset the slack production we have had during the latter part of this quarter due to the fact that increased costs in the dairy business have been imposed upon the dairymen because of the price of feed. They cannot continue to produce under the prices established by Mr. Bowles, with the increased cost of feed, and if that condition continues, production definitely will decrease, it is going out the window, and we will not have milk.

Mr. MYERS. Nevertheless, the Senator's own figures indicate that we are in short supply, and he is arguing that while in short supply, we should decontrol.

The Senator says I am apprehensive about future prices. Yet the Senator is willing to take a chance that decontrol will cause increased production. However, he is only guessing.

Mr. WHERRY. The argument is just as sound as it can be, and I am not disputing with the Senator on that at all, but it does not have a thing to do with what I am advancing in my amendment.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. AIKEN. The Senator from Nebraska has brought in the cost of feed as one factor in the increased cost of producing milk. I should like to say that

last spring, in early March, dairy rations were sold for \$62 a ton in my State. They are now \$81 per ton, and will increase from \$5 to \$10 more just as soon as the grain which has been recently bought at the higher prices reaches the feed mixers; in other words, there will be an increase in the cost of feed alone from about \$62 a ton to \$88 or \$90 a ton over a period of 4 months.

In addition to that, we have had the difficulty of being unable to buy new machinery. If we could get good new farm equipment we could offset our inability to get labor, to a certain extent. Incidentally, labor which cost our farmers 40 to 50 cents an hour a couple of years ago, is now paid 75 cents an hour. I have not been home lately, but I think that is about the average pay, 75 cents an hour, or about 50 percent increase. We are glad to have farm laborers get that extra pay, because of the increased standard of living which it gives them. But on grain alone there will be about 50 percent increase in cost.

When a farmer produces milk the year around, about one-third of the cost of producing it is represented by the cost of grain. I am not going into arithmetic to show how much that would be per quart. But even when the price is increased to offset the loss of the subsidy, the net return to the milk producer today is less than it was a few months ago.

Mr. WHERRY. I ask the distinguished Senator from Vermont if it is not true that because of the acute situation which developed within the past few weeks OPA finally raised the price of butter to help offset the loss in production?

Mr. AIKEN. That is true. OPA increased the price of milk generally on June 1 one cent a quart on the average over most of the country. The price of butter was also increased. The reason was that production was dropping off too rapidly for the national needs. In New England in April the production of milk was 16 percent below what it was a year ago in April. The reduction was greatest in New England, but there was a drop in all other sections of the country. Even in the Midwest States there was a 2-percent drop in production. Production was dropping so rapidly that something had to be done. In other words, it paid much better to do other things than to produce dairy products, so the OPA granted an increase of 1 cent a quart. Other applications for increase have been under consideration since that time, because even the 1 cent a quart increase would not secure sufficient production. Through May and June, the season when milk is produced more largely on pastures and grass, the percentage decrease has not been so great. However, the percentage of decrease is accelerating again now that the peak of the pasturage has passed. And undoubtedly we will get back to the 16-percent decrease over last year, unless the price structure makes it as profitable to produce milk as it does to produce other things. One of our great troubles has been that it has paid much better to produce other things which the people did not have to have, than it paid to produce the necessities of life.

Mr. WHERRY. I thank the Senator from Vermont.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HAWKES. I want to emphasize the fact that the dairy herds in my State of New Jersey are being depleted very rapidly. I am 100 percent in favor of the Senator's amendment. I believe it is the only solution to getting milk, and not getting price lists instead of milk. I am told very definitely by the best-informed and finest citizens in my State, farmers and others who are in the dairy business, that unless something is done to decontrol milk the shortage of milk will become greater and greater.

If the Senator will permit me, I should like to go back to the statement made by the Senator from Pennsylvania, who said that the Senator from Nebraska admitted there was a short supply of milk, but, nevertheless, the Senator from Nebraska was advocating decontrol. Suppose it is true, as I believe it to be, that there is a short supply of milk. I ask the Senator, How is that situation going to be cured? A few days ago I read a statement of what happened in France when attempt was made to compel the farmers to produce food products for the people without a profit. The farmers simply would not do so, and the people starved.

The Senator from Nebraska is now seeking to do something that will stimulate production. The Senator is trying to get the country back to the American way of reward as an incentive to accomplishment.

Mr. WHERRY. That is correct.

Mr. HAWKES. I should like to read a telegram from one of the finest dairymen in the State of New Jersey. I have received more than 200 telegrams, all of them endorsing the Senator's amendment and its objective. The telegram reads:

At an emergency meeting called yesterday by Milk-Control Director Arthur Foran at the request of our New Jersey farmers it was unanimously agreed by the entire industry to increase the price of milk at once 2 cents per quart to replace the expired subsidy. For the first time in 3 years the New Jersey consumer will not be misled by the hidden taxes called subsidies when she pays her next milk bill. Now that the subsidies are out, they should not be allowed to return. The OPA has kept the dairy industry in a constant chaotic condition for the past 2 years. If yesterday's action was not taken—

Meaning the action by the milk board—

the results would be drastic to our rapidly dwindling milk supply. Farms have already sent thousands of good milk cattle to slaughter.

That is the very point the Senator from Nebraska raised yesterday in connection with his amendment decontrolling meat. In other words, when the price of milk is kept down to a point where there is no profit in feeding the cow and milking the cow and sending the milk to market, but there is a high price in the black market for beef, it takes a pretty good American not to send the cow to the black market, even though she may be a fine dairy cow.

Farmers have already sent thousands of good milk cattle to slaughter, with the num-

ber increasing daily. It is about time our Government stops interfering with business and, above all, allow the farmer a fair profit in a free competitive market. I recommend no subsidy and only control on rents (preferably by the State). This should be done at once, not a year from now, if we want our free democratic system to survive.

As the Senator from Nebraska knows, New Jersey is quite an important garden and dairy State. Dairying is one of the most important industries in the State of New Jersey. I want the Senator to know that I have talked with hundreds of businessmen, farmers, dairymen, and men connected with dairy organizations, and every one of them believes that that the way back to a decent price and the way back to procuring milk of the right quality, is through decontrolling the milk and dairy business.

Mr. WHERRY. I want to thank the distinguished Senator for his contribution, and to state to him that his experience in New Jersey is the same experience that all of us have had who come from dairy States. Like the distinguished Senator, we have all received telegrams on the subject. I have received them by the hundreds. If we wanted to introduce them into the RECORD, it would make a RECORD which the Senate would not even want to print because of the great expense involved. The burden of all the telegrams is about as mentioned by the distinguished Senator from New Jersey. I am quite satisfied that the only way out is the way proposed in the amendment, and that is to decontrol and secure maximum production, and when maximum production is secured the price will take care of itself.

Mr. AIKEN. Mr. President, will the Senator again yield?

Mr. WHERRY. I yield.

Mr. AIKEN. Before this discussion ends I want to make one point clear. A few minutes ago I told of the price of dairy rations increasing from \$62 a ton in early March to \$81 a ton at the present time. I want to point out that the \$81-a-ton price which prevails now—and that figure is the price for which Eastern States Farmers Exchange is selling dairy rations—is not the result of the price controls on grain being discontinued July 1, but is an increase from \$62 to \$81 a ton which had been authorized by the OPA before the 1st of July. When the 1st of July came, as I presume every Member of the Senate knows, New England was in the midst of a grain famine. Our mixers promptly went into the West and found that they could buy all the corn they could use. Where it came from no one seems to know, but it was available at a price of \$2.30 a bushel, which was an extremely high price. It meant an increase of from \$5 to \$10 a ton in the price of dairy feed so long as corn at that price was used. However, I understand that since that time the price of corn has dropped to approximately \$1.85 a bushel. I expect that the high price for dairy rations will continue until the new crop of corn comes in. Then, no one knows what it will be. We hope for a corn crop of 3,500,000 bushels. If that hope is realized, prices will probably drop below what they were last year. If anything should

happen to the crop between now and October, one man's guess is as good as another's. The point I wish to make is that the increase of \$19 a ton, or about 30 percent, was an increase authorized by the OPA before the 1st of July.

Mr. WHERRY. Mr. President, in conclusion, I wish to state that inasmuch as we voted for the decontrol of meat, 36 percent of the dairy cattle will finally find their way to the meat market. Perhaps the percentage will be a little higher.

Mr. AIKEN. Approximately a third of meat production comes from dairy cows.

Mr. WHERRY. If we are to decontrol meat, and one-third of the meat production comes from dairy cattle, it is only reasonable that we should decontrol dairy products. If we do not, we shall find dairy producers who cannot afford to produce milk sending their cows to market for meat; and, as the Senator from New Jersey [Mr. HAWKES] has said, we will deplete the dairy herds of the country.

I shall not detain the Senate longer. We have discussed this question for days. Senators know all about it, and I believe that they have made up their minds on the question. I ask, when the discussion is finished, for a speedy vote. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. WHERRY. Mr. President, I yield the floor.

Mr. WILEY obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. BARKLEY. Mr. President, I should like to place in the RECORD two brief tables. I do not care to trespass on the Senator's time. I have been placing in the RECORD daily tables from the Bureau of Labor Statistics and also the New York Journal of Commerce, showing the percentage increases in the prices of certain commodities over a 3-year period, up to June 28, 1946, and the increases since that date, up to the current date.

I have before me a table taken from the Bureau of Labor Statistics showing a general index of 28 basic commodities. The prices of those commodities increased 13.1 percent in the 3 years prior to June 28, and have increased 14.3 percent in the 11 days since that time.

The same table shows that the prices of 12 foodstuffs increased 14.6 percent in 3 years, and 23.3 percent in the 11 days since that time.

The New York Journal of Commerce daily index of 30 sensitive commodity prices shows that the index increased 15.8 percent in 3 years, and 12.3 percent in the 11 days since that period.

The grain index increased 39.3 percent in 3 years, and 18.2 percent in 11 days. The index for 10 selected foods shows a decline in the 3-year period of 1.6 percent, and an increase in 11 days of 22.3 percent.

I ask unanimous consent that this table be printed in the RECORD at this point, together with an accompanying table breaking down in greater detail increases in prices of foods.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

OPA daily price summary—Prices of July 9—Daily indexes of commodity prices in primary (prewholesale) markets—Movements under "Hold the line" and since June 28, 1946

	Percentage increase	
	May 17, 1943, to June 28, 1946	June 28 to July 9, 1946
Bureau of Labor Statistics:		
General index (28 basic commodities) ¹	13.1	14.3
12 foodstuffs ²	14.6	23.3
16 raw industrial commodities	11.9	8.0
New York Journal of Commerce:		
Daily index (30 sensitive commodity prices)	15.8	12.3
5 grains	39.3	18.2
10 foods	-1.6	22.3
5 textiles	18.3	2.4
5 metals	16.2	4.4
5 miscellaneous	2.0	11.1

¹ Most of the 28 commodities (see list on p. 2) used in the daily index are basic raw materials and many of them are quoted on organized exchanges or "futures" markets. The daily index is, therefore, much more sensitive to changes in market conditions than is the Bureau's regular index because the latter includes a large proportion of fabricated and semifabricated goods whose prices usually fluctuate less frequently and within narrower margins. Of the 28 items included in the daily index, 18 were selected because of their importance in world trade; 11 of those 18 are imported in large quantities.

² This group corresponds roughly to the 15 grains and foods reported by the Journal of Commerce in two separate groups.

Daily index numbers, spot market prices,¹ and percent change for 28 basic commodities

INDEX NUMBERS	Percentage change, June 28 to July 9, 1946	
	June 28, 1946	July 9, 1946
General index	14.3	
12 foodstuffs	23.3	
16 raw industrial	8.0	
11 imported	15.4	
17 domestic	13.6	
PRICES	Percentage change, June 28 to July 9, 1946	
	June 28, 1946	July 9, 1946
Wheat:		
Kansas City, No. 2	\$1.871	\$2.110
h. w. bu.		12.8
Minneapolis, No. 2		
d. n. s. bu.	1.885	2.030
Flaxseed, Minneapolis do.	3.350	3.750
Barley, Minneapolis do.	1.440	1.580
Corn, Chicago do.	1.448	2.155
Butter, Chicago ² lb.	.560	.719
Tallow, Chicago ² do.	.086	.115
Hogs, Chicago 100 lbs.	14.850	17.075
Steers, good, Chicago do.	17.000	18.625
Lard, Chicago ² lb.	.140	.180
Coffee, Santos No. 4, New York lb.	.158	.215
Sugar, New York ² lb.	.042	.042
Cocoa beans, New York lb.	.090	.132
Shellae, New York lb.	.365	.700
Rubber, New York lb.	.225	.225
Hides, Chicago lb.	.155	.155
Rosin, Savannah 100 lbs.	6.760	6.950
Cottonseed oil, New York ⁴ lb.	.143	.178
Print cloth, New York ² yd.	.114	.114
Silk, New York lb.	3.080	3.080
Wool tops, New York ⁴ lb.	1.330	1.485
Burlap, New York ² yd.	.118	.118
Steel scrap:		
Chicago ton	18.750	18.750
Philadelphia ton	18.750	18.750
Tin, New York lb.	.520	.520
Copper, New York lb.	.142	.142
Lead, New York lb.	.082	.095
Zinc, New York lb.	.087	.099
Cotton, average 10, spot markets lb.	.310	.325

¹ Spot (cash) prices in primary markets except where otherwise indicated.

² Wholesale price.

³ Approximately 75 cents above maximum compliance price.

⁴ Futures market.

Prices of 30 sensitive commodities and percentage change from June 28, 1946

[New York markets except where noted]

	June 28	July 9	Percentage change
Grains (average of range):			
Wheat, Kansas City	\$1.97	\$2.13 $\frac{3}{4}$	8.5
Corn, Chicago	1.44	2.15 $\frac{1}{2}$	49.7
Oats, Chicago	.86	1.94	9.3
Rye	1.76		
Barley	1.60	1.69	5.6
Food:			
Flour	3.75	5.35	42.7
Beef	.208-.218	.258-.52	24.0
Pork	.24 $\frac{1}{4}$ -.25	.27-.43	11.3
Lard, Chicago	.1405	.2.18	28.1
Eggs	.33	.34-.36	3.0-9.1
Butter	.56 $\frac{1}{4}$	.73	28.6
Cheese	.3540	(³)	
Sugar	.04205	.04205	0
Coffee	.1545	.21 $\frac{1}{2}$	39.2
Cocoa	.0869	.13 $\frac{1}{4}$	47.4
Textiles:			
Cotton, Galveston	.3090	.3242	4.9
Print cloth	.11370	(³)	
Wool	1.05	1.05	0
Silk	14.00	9.00	-35.7
Burlap	.1180	.1180	0
Metals:			
Copper	.14 $\frac{3}{8}$	(³)	
Zinc, East St. Louis	.08 $\frac{1}{4}$	.09 $\frac{1}{2}$	15.2
Lead	.08 $\frac{1}{4}$	.09 $\frac{1}{2}$	15.2
Tin	.52	(³)	
Silver, domestic	.70 $\frac{1}{2}$	(³)	
Miscellaneous:			
Hides, Chicago	.15 $\frac{1}{2}$	(³)	
Rubber	.22 $\frac{1}{2}$	.22 $\frac{1}{2}$	0
Linseed oil	.15 $\frac{1}{2}$	.177	14.2
Turpentine	.94 $\frac{1}{2}$	1.12	18.5
Hogs, Chicago	14.75	17.15	16.3

Note on beef and pork prices.—June 28 ranges reflect varying grades. July 9 ranges reflect lower prices charged by major packers than by others in industry. Percentage increase is calculated only for prices at bottom of range.

¹ Futures market.

² No trading; July 8 price shown.

³ No trading.

Source: New York Journal of Commerce.

NOTE ON SUBSIDIES

Beef and pork: Subsidy payments on meat, eliminated June 30, had the following price equivalents at the wholesale level: Beef, \$4 to \$5 per hundredweight (carcass), depending on grade; pork, \$2.30 per hundredweight (carcass).

The elimination of the subsidy on beef, therefore, calls for a rise of 21 percent at wholesale. To date (July 9) the increase in beef prices has been only slightly more than enough to offset the subsidy loss.

While the price of good steers has risen 9 percent (see p. 2), prices on the prime and choice grades (constituting about a third of all beef) have risen nearly 25 percent. A weighted average of prices paid for all steers would show an increase of about 17 percent. Measured from compliance levels (see note 2 on p. 2), the rise is about 22 percent.

Complete reflection of both this rise in cattle prices and the loss of subsidy payments would bring wholesale beef prices 48 percent above the June 28 level, with a similar rise at retail to follow.

On pork a price rise of 12 percent at wholesale (pork cuts and lard combined) would offset the subsidy loss. Adding full reflection of increased hog prices would bring pork and lard prices 26 percent above June 28 levels.

Dairy products: Subsidy payments on butterfat were the equivalent of 10 cents a pound of butter at wholesale (11 cents at retail).

The other dairy subsidies consisted of dairy production payments (varied between surplus and deficit areas) and a small-scale regional fluid milk payment program (13 urban areas). The price equivalent of the elimination of these payments, taken in combination, ranges from 1.0 to 2.1 cents a quart at wholesale. (In the Washington area, the total is 1.7 cents a quart.)

Mr. WILEY. Mr. President, I have had occasion heretofore to quote the phraseology of our late President Roosevelt when he said, "The only thing we have to fear is fear itself." I remember, as do many other Senators, when he was

elected to office. When we heard that saying over the radio it picked us up. Last Sunday I went to church and heard the preacher say, quoting from Paul:

For God hath not given us the spirit of fear; but of power, and of love, and of a sound mind.

As I was coming out with a friend, his little girl asked, "But who did give us this fear?" The father replied, "I do not know, unless it was the OPA, or some of the New Dealers."

We have just listened to some statistics showing that over a period of years, when Government held a stranglehold on the producers, the general increase in prices was from 11 to 14 percent, and that since OPA went out the window the increase has been about 11 percent. What does that mean? Let us get down to brass tacks. An increase of 11 percent or 14 percent does not mean an increase of 11 cents or 14 cents. If an article sold for 25 cents a pound, and the price were increased 10 percent, it would sell for 27 $\frac{1}{2}$ cents a pound. If one could obtain the article for 27 $\frac{1}{2}$ cents, but could not get it for 25 cents, he would consider himself lucky.

So I come back to the original proposition, that the only thing we have to fear is fear itself. As I showed yesterday, every indication points to the fact that America is holding the line. There are instances in which OPA has had a stranglehold, and has kept prices down, but we did not get production. We could not get results. When OPA went out production returned.

Recent statistics quoted by my distinguished colleague, the Senator from Pennsylvania [Mr. MYERS] show retail prices of milk in Pennsylvania. They show a price of 19 cents a quart in Philadelphia, and 21 cents a quart in New

York. The highest price in the District of Columbia is 19 cents a quart, and some of the stores sell two quarts for 31 cents.

Mr. President, my State is the greatest milk-producing State in the Nation. Milk is Nature's food, made by Nature's chemical factory, the milk cow. It contains more vitamins, more fats, and more things that the human system needs than any other single food. Are we going to strangle production?

The prices which have been quoted do not represent what the producer receives. They are retail prices. Yesterday I made a computation which showed that in my own State the producer receives about 7½ cents a quart, and when the milk reaches the ultimate consumer he pays 15 or 16 cents. Are we going to force the producers to stop producing, or are we going to encourage them to produce in quantity?

We are back to the original point. In all seriousness, I say that there are those in this Government who have purposes other than the protection of the consumer. Their purposes are ulterior, and in many instances, if they were consummated, they would result in the ruin of the Republic. They want to create division. Men who labor are told that when they pay from 17 to 19 cents a quart for milk the farmer is racketeering and stealing from them.

Let us analyze the production of milk. To produce milk the producer must first invest in the cow. He must have the necessary land, property, and labor. He must see that the cow produces. The cow must have feed. It has been shown that the cost of feed has increased approximately 30 percent. The producer must then milk the cow and in many instances haul the milk to market. Then it goes to the distributor and the distributor hires labor. The cost of the labor he hires has gone up 50 percent, or even as much as 100 percent. The distributor may be able to get the milk to the store. The store has to hire labor and the cost of that labor has gone up considerably. Then we go to the store and buy the milk there. But, as I said yesterday, many people who complain about the price of milk do not hesitate to go to a liquor store and pay from \$5 to \$7 for a quart of liquor. Some of the folk who want to precipitate class hatred think that the farmer who goes through the process of producing that which makes bone and sinew and health is getting more than his legitimate share of the price which the consumers pay.

Mr. President, heretofore I have outlined my ideas in regard to the new OPA legislation. I have summarized them under three main points, as follows:

First, in view of the fact that the President killed the OPA by his arbitrary veto, we should have a further testing period during which our free economy should be able to demonstrate the ability of Americans to work together for the general welfare without being harnessed to a New Deal, bureaucratic governmental control. I wish to amplify that point for a moment. It is absolutely un-American to have the OPA kind of control. Never before in our history have we permitted it. It was permitted only during the recent great war catastrophe and

great war emergency. It was only then that we deviated from our governmental concept that the individual has a right to produce and has a right to sell in a competitive market with his neighbor. But because of the war conflagration, we enacted the OPA and put it into operation, after the President had created it by Executive directive. During the time when the OPA was in operation we saw, in my own State, that under the OPA regulations, cheese practically went out of production. Instead of fixing a price on cheese under which the cheese manufacturer could sell cheese at a profit and could pay a reasonable price for the milk used in making cheese, the OPA made the price such that the milk producer could sell his milk at a far better profit to people who wanted to produce the ingredients of ice cream for the eastern market. We remember that before the war my State of Wisconsin produced 56 percent of all the cheese produced in the United States. Then the Government stepped into the picture. Because of the monkey-wrenches which it threw into the machinery, the production of cheese began to stop. Now the OPA has gone out of existence. The cheese-maker, the butter-maker, and the ice cream-maker can pay for the milk what it is worth, and the cheese-makers will no longer be placed in a detrimental position.

I have said before that all this governmental regulation is un-American. It does not belong in America. It only belongs in a state or nation in which the people have lost their concepts of liberty and are ready to be regimented in their thinking, as well as in their living and their business. That situation occurred in practically all the European countries prior to the recent war.

So, Mr. President, now that we have had about a week and a half of the operation of our free economy in the dairy field and in other fields, I say it would be nothing short of catastrophic to put the Government into the picture again. Let us have at least a breathing spell. Let us put this whole thing out the window. Then if we find that our system does not work, let the President call back the Congress into special session. My position is that there should be a breathing spell in regard to all OPA controls.

All of us know that increased production is what we really need to have. A friend of mine is sitting in the gallery at this time. He told me about the tire situation today. In practically all fields of American activity, producers are beginning to breathe freely again. Once more they are beginning to feel that they are Americans. Once more they can operate their businesses without having some nincompoops who represent the Federal Government come around and make them take a slavish attitude which also is un-American.

Mr. President, I know whereof I speak. I say to you that if appropriate measures were taken in this country to investigate the OPA maladministration in some of our States we would find things which would smell to high heaven.

So let us go back to American production, unhampered by bureaucrats. I am all the more certain that we should do so when I see businessmen, manufacturers,

retailers, and wholesalers in every field of our economy cringe before the OPA sleuths. I do not even need to mention the demoralizing effect which has been had upon a large segment of our people, or the black marketeers who have come into operation, and now wish to have the OPA reinstated. The black-market racketeers will lose their millions, even as the bootlegger operators in the days of prohibition lost theirs when the prohibition law was repealed.

Second, Mr. President, State government action can well be taken if in a particular State conditions are not what they should be. By the way, something was said here about the price of milk in certain municipalities. Many of the municipalities of the country have municipal ordinances which can be brought into operation in that connection. If the retailers of a commodity such as milk were receiving an undue proportion of the price during a period which could be termed an emergency period, the city council would be at liberty to take appropriate action.

But what right have we in this Nation of 140,000,000 people to attempt to pass general legislation which will affect the economic life of a storekeeper in Podunk and at the same time the economic life of a storekeeper in New York City, who operates under entirely different conditions and is in an entirely different situation? The storekeeper in New York City has a volume of business which is no tremendous that he can afford to employ economists, if necessary, and bookkeepers and experts, to supervise his every act and to see to it that he dots every "i" and crosses every "t." The small storekeeper who serves a rural community, who has been getting delayed OPA directives and delayed misdirectives, and has had some OPA representative come to his store almost every other day and scare the hell out of him, is operating under conditions vastly different from those which apply in New York City. The storekeeper in New York City has power because he has sufficient money; but the little fellows who operate in a rural area found, under the OPA, that every time he made an overcharge of half a cent, he was fined \$25 or \$50, if he had attempted to keep books. Or he could go into the black market, keep no books, and do as some of his neighbors did, namely become a law violator in a free land, charging a cent more than the Government said he should.

Mr. President, what I am trying to prove is that there is something else in life besides the fear which the OPA and some Communists are trying to engender into the minds of the American people. They are trying to make us believe that we, in America, will not be adequate. They are trying to make us believe that we will not have the vision to play the game fairly. They are saying that the wholesaler, the retailer, the manufacturer, the butter maker, the cheese maker, and all the rest are going to become gougers. Mr. President, why is that being done? Because, only in lands where men are not free, where freedom has gone out the window, can government obtain control of the economic life and pursuits of its citizens and many of

these folks want the American form of government changed.

I repeat that, if necessary, State or municipal government will provide for equitable rent controls. I return only briefly to the subject. Who knows the rent picture in Milwaukee, for example, better than the people in Milwaukee? Is not the rent situation in that city different from what it is in a city hundreds of miles away which, perhaps, has experienced a drop in its population?

Mr. President, allow me to state my third point. I am contending in connection with the pending amendment that all dairy and livestock products should be permanently removed from the strangulation of the OPA. During the week and a half since the OPA breathed its last, the country has felt a new sense of life, a new realization of the vitality of being free and unhampered by American bureaucrats. A sense of vitality is the American's concept of the natural laws of supply and demand. Almost everywhere there are indications that the American people are working together and doing what is right in this trying situation.

By and large, such price increases as those which have occurred have been justified. Mr. President, did you hear any statement by the Senator from Pennsylvania a few minutes ago showing justification of the price of 19 cents a quart for milk? His only statement was that the price was the highest in history. Have we heard anything of late except "the highest price in history"?

The income of America has increased from \$70,000,000,000 before the war to \$165,000,000,000 or \$170,000,000,000 at the present time.

Labor has received increases in compensation, in some communities as much as 150 percent above what it was previously. But, because there has been an increase of 3 cents or 4 cents a quart for milk in Philadelphia or New York, as a result of the President's veto, which destroyed subsidies, we hear statements that the price is "the highest price in history." Mr. President, I am giving the facts.

I have before me some figures which were prepared by the American Butter Institute, showing that in New York City the bid on AA grade butter was 74½ cents, with no sale. On A grade, 50 boxes, the bid was 71½ cents; 50 boxes, 72 cents; 50 boxes, 72½ cents; 50 boxes, 73 cents; and 200 boxes, 73½ cents. How does that compare with the black-market price which I cited yesterday of \$1.25 for butter before OPA went out of business?

The figures I have given, Mr. President, refer to legitimate trading. They indicate the law of supply and demand in action. What is more, the law is morally sound. I should like to hear a few arguments on this floor on the subject of morality. When Government's action begets immorality and indecency, it is time that the Government cease such action.

Mr. President, I ask that the report on butter markets, as of Tuesday, July 9, 1946, which has been supplied me by the American Butter Institute, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT ON BUTTER MARKETS, TUESDAY,
JULY 9, 1946

NEW YORK CITY

AA grade: 74½ cents bid; no sale.
A grade: 50 boxes, 71½ cents; 50 boxes, 72 cents; 50 boxes, 72½ cents; 50 boxes, 73 cents; 200 boxes, 73½ cents.
B grade: 71½ cents bid; no sale.
C grade: 68 cents bid; no sale.

CHICAGO

AA grade: 73½ cents; closing price (73 cents yesterday).
A grade: 71¾ cents; closing price (70¾ cents yesterday).
B grade: 70¾ cents; closing price (70 cents yesterday).
C grade: 69 cents; closing price (68½ cents yesterday).

JULY 10

Chicago market: Unchanged.
New York market: 92-score, down ½ cent; 90-score, up ½ cent.

NOTE.—The above prices reflect the OPA ceiling price on June 30 plus the production incentive subsidy paid directly to producers by the Government and financed by the consumer through taxes. The above prices are only 1 to 2 cents per pound over the total of the ceiling price plus 14½ cents subsidy and do not in any respect indicate an inflationary trend. The subsidy was eliminated July 1 upon expiration of the OPA Act.

Mr. WILEY. Mr. President, as I have said, in the case of dairy products, as in the case of livestock products, all OPA regulation should be removed.

By and large, the prices which I have cited as having been increased, have been justified. I invite attention again to the fact that everything which the senior Senator from Kentucky stated in showing an increase in prices over a certain period of time, was injected into the debate for the purpose of creating fear. He did not say the prices were not justified. Another thing which he did not say was that we are getting production.

In correcting the abnormally low-price ceilings which had crippled production, producers are now receiving some degree of adequate compensation and are producing. Production is the answer not only to black markets but to high prices. If Government does that which will strangle production, it goes out of its province.

Mr. President, in order to cover the gap left by the removal of the billions of dollars in food subsidies, it is necessary to obtain production. That statement applies particularly to milk and its products. No appreciable increase in the price of milk, other than that justified by the reasons which I have already stated, has been noted anywhere in this country. We have started to obtain production because the producers are starting to receive their costs of production which the OPA in many instances had denied them. I repeat what I said a few minutes ago. The only way to obtain production is to assure to the producer that he will receive at least the cost of production. When he fails to receive his cost of production he will not produce. We are now starting to get production because the producer is starting to get the cost of production which, as I have already said, the OPA

has heretofore denied to him. I could cite example after example, Mr. President, of that fact applying to manufactured products in my own State. Time and time again men have come to Washington with fear in their hearts, begging the Government to permit them to charge what it cost them to produce, plus a little more. Such a frame of mind as that in which those men have been, does not result in producing men such as those who built this country. The men to whom I have referred came to Washington as asked the Government in a pitiable voice, "May we get a little raise in order to cover the increased cost of labor and materials?" Months and months would elapse before action was taken and then many times, no relief resulted.

Mr. President, I should like to present seven reasons why controls should be permanently removed from milk and such manufactured dairy products as butter, cheese, dry milk, evaporated milk, and ice cream.

This is my first reason: Black markets have been fostered by OPA's inept dairy controls.

In recent weeks before the exit of OPA it has been estimated that approximately 80 percent of the total butter production, for example, of the Nation has gone into black markets. As I indicated yesterday, black markets are charging from 80 cents to \$1.25 a pound for butter. If dairy controls are permanently removed, the consumer will have to pay, in most instances, far less than he is now being forced to pay through the nose to black market operators.

This is my second reason: The production of vital, nutritious dairy items, so essential to the health and welfare of the Nation and all other nations, has been seriously crippled by OPA controls.

Again I cite the glaring instance of butter, whose production has dropped more than 50 percent in the past 4 years. If anyone wants an example of what Government interference does to this great food which people need, with its natural vitamins, let him take into consideration the fact that the volume of butter has been reduced 50 percent in the last 4 years under Government OPA control.

The judgment of the American consumer has been set aside, and he has been forced to eat the particular dairy products that OPA decides—and encourages by particular price ceilings. According to the slide rule notions of some OPA bureaucrats, milk has been channeled into fluid milk or cream or cheese rather than into butter. The American consumer is tired of having his taste and his personal preferences ignored. He wants to buy dairy items according to his own judgment rather than according to the judgment of Washington, D. C.

Mr. President, I digress for a moment. It is a fine kettle of fish we have when, as a matter of Government regulation, Government directive, a Government agency can tell us what food we are going to eat and can eat, when by their own maladministration their action results in the diminution of the quantity of butter by 50 percent.

Oh, it is not merely the loss of the butter. I hear someone say, "He is just arguing for his own dairy products." Yes, I am, but not only for them. I am arguing for my children and my grandchildren, so that when they come into man's or woman's estate they will not find government at their throats by directives, or legislative or administrative measures. They will be free. The history of the last decade is very clear that when Hitler and Mussolini could get rid of the legislative branch when those two Fascist archangels of the devil wanted to get control of their people, they did it by following the very course of regulation. Then finally they started, as we have seen done too often in our own country, a great propaganda move to undermine the legislative branch, to induce the people to think they could do without the legislative branch, and thus gradually the checks and balances which Germany and Italy possessed were done away with, and there was government by one man, and by directives, or mandates. The result was that whole peoples deteriorated; they became automatons. They let one man or group do the thinking for them religiously, economically, and politically.

During the war there was some justification, because we needed quick executive action; but there is no reason now for quick executive action. There is reason only for deliberate legislative action to get rid of that which would strangle the economic freedom of our people.

To reimpose milk controls, while at the same time removing meat controls, would be to maintain a completely abnormal relationship between these inter-related products. We would simply be complicating the artificial mess between products that OPA has brought about.

To reimpose milk controls and subsidies would mean adding to the public debt around \$2,000,000 or more a day now required for dairy subsidies. This would add more inflationary spending power, in addition to complicating our Nation's financial problems. It would perpetuate the "doping up" of the American economic system, making us so addicted to this subsidy dope that we could not give it up.

I spoke on that subject yesterday, and I wish to say that now is the time, OPA having disappeared out the window, for us to refuse to reinstate it.

To reimpose dairy controls in so complicated an industry as the cheese industry, with so wide a variety of items, would be to perpetuate the terrible confusion in which cheese producers have been forced by OPA maladministration. Time and time again OPA has shifted some price ceiling on a particular cheese variety, and with the one stroke it has forced dozens of other cheese prices out of line and has produced chaos in the industry. I cite the instance of aged Cheddar cheese—a wartime casualty—priced off the market by bureaucratic, unworkable controls.

To reimpose price ceilings and subsidies after this period of free markets would involve severe financial losses by many conscientious manufacturers of dairy products. These manufacturers have in good faith made purchases of

milk and cream from the farmer at prices reflecting the Government subsidy. They have thus added additional cost to their inventory. Rolling prices back to June 30 levels might well mean bankruptcy for countless small dairy companies, both cooperative and private.

Mr. President, in view of the reasons I have stated I fervently believe that the Senate and the House should take action to remove all milk controls and restore to the American dairy farmer the power and the right to satisfy the needs of American consumers and the consumers of the world by his freedom of action.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY].

Mr. BRIDGES. Mr. President, New England's dairy industry—which is by far its leading source of farm income—has been unanimous in requesting the termination of OPA price controls on dairy products. This has been the position of farmers and their cooperative associations and of all branches of processing and distribution.

Their position on this matter has been based on three fundamental beliefs: First, that OPA is neither able nor willing to make the adjustments in relative dairy prices that are necessary to reverse New England's downward trend in milk production and its increasing milk deficit; second, that through the combination of old-fashioned bargaining between producer groups and milk buyers and through the orderly operation of State milk control agencies, which operate in all six New England States, these necessary adjustments can be made quickly and effectively; and third, that consumers will be insured a better and more uniform milk supply at realistic prices, and will be much better off in the long run under a system of free markets than they are under a system of artificial prices supported by subsidies paid directly from tax receipts.

The last few days have afforded a rare opportunity to witness the effect of removing dairy controls and to judge the correctness of these basic beliefs. There were no price controls and no producer subsidies effective Monday morning, July 1. Milk prices in Connecticut moved up that same day under the State milk control sponsorship. State agencies in the other States also took immediate steps to announce new milk and cream prices at levels sufficient to offset the loss of subsidy payments by dairy farmers. By July 7 prices had increased in practically all markets in the region.

The amount of the increases announced were almost exactly the amounts necessary to offset subsidy losses, and to correct minor maladjustments which had been before OPA for action for some time. Subsidy rates to farmers on July 1 had been announced previously as 85 cents per 100 pounds in southern New England and 75 cents in northern New England, both rates to apply to all milk sold. The loss of this income to dairy farmers was estimated at \$100,000 per day for the six New England States. It was of the utmost importance

to New England farmers and to New England's milk supply that this income loss be replaced just as quickly as possible.

As of today, retail milk prices have been increased throughout New England in amounts ranging from 2 to 3 cents per quart. Practically all of this is being passed back to producers in the form of higher prices for class I or fluid milk. At this season from 20 to 25 percent of the milk is class II or surplus milk on which the price increase is not yet set. Dairy farmers are assured, therefore, that they will not lose as the result of decontrol, but at the same time the increases have been reasonable and orderly.

These rapid developments since July 1 have shown for New England's milk industry that no catastrophic results came with decontrol. The industry moved in an orderly fashion. Prices did not skyrocket. There was no withholding of products from the market. State control agencies immediately resumed their pre-war role and helped plan orderly increases. The reason for the rapid increases—protection of farm income—was explained to the public and, as judged by newspapers and consumer reaction, was accepted by the public.

Since the price increases represent about the same amount of money as the direct subsidy payments to milk producers, consumers in the long run will be paying no more for dairy products than they would have had to pay under OPA, including their tax bill for subsidy money and their tax bill to pay the cost of administering OPA and the cost of administering subsidies.

Producer leaders and industry leaders assure us also, that the change over to a system of free and natural prices will build steadier dairy markets and help solve New England's acute milk-supply problem by giving real encouragement to dairy farmers. It is too early to tell for sure, of course, on this point, but the facts indicate that this will be true.

New England milk production has been going down steadily since September, 1945. All through the winter and spring the number of dairy cows, the number of dairy farmers, and the milk production per cow and per dairy have been running below the same figures for the corresponding period a year earlier. The deficit of fresh milk for last November and December was estimated at 20 percent by United States Department of Agriculture authorities in the Boston market. The latest figures for Boston show that current milk production is about 10 percent below the same period last year while fluid milk sales are about 5 percent below the same period last year. If these trends continue, the deficit of fresh milk for the fall of 1946 would easily exceed 30 percent of the demand.

This demand level, it must be remembered, is gauged by the artificial levels at which retail prices are held by OPA while with the other hand the Government is handing out direct payments to farmers. It is not surprising to me that the pleas of OPA and Mr. Bowles for the dairymen to wait another year until supply caught up with demand, fell on deaf ears. In the face of a deficit last fall, demand has been going up and supply

going down as a direct result of the very controls they urge us to continue. Yet we are urged to continue them until supply and demand are in balance. The facts are that there will be no balance—there can be no balance—until the subsidies and the controls are eliminated and we give free markets a full opportunity to create the balance.

One of the most acute milk supply problems in New England which OPA has made much worse has been the seasonal variations in milk production. New England has enough milk in May and June to meet its fluid-milk requirements, but supply is far short of needs in November and December. Before the war November production was 60 to 65 percent of the June level. Last year November production was only 47 percent of the June level. This shift toward wider seasonal variations has been the direct result of OPA controls and subsidies. Not only has the premium for all production declined under OPA, but most of it has been subsidy money. Subsidies for November milk usually reach the producer in February or March—too late to have any influence on his fall production plants. This will be corrected under free markets. November milk will be paid for partly in November and the balance early in December. This change alone should greatly help the fall supply problem, and give consumers a more uniform supply all year.

All of these problems regarding New England's milk supply have been presented to OPA, to the Office of Economic Stabilization, and to the Department of Agriculture time and time again. Solutions have been outlined and prompt action requested, by Senators and Representatives, by governor's conferences, and by various State officials as well as by producer and industry leaders. The complete failure of the agencies to take corrective action under these conditions can only be interpreted to mean that these agencies have grown into a philosophy of control for control's sake, regardless of the effect on our economy. We in New England want no part of such philosophy. We want as early as possible to rid ourselves of controls of this type.

On dairy products as well as on many other products, New England is basically a deficit area. Even in normal times we get our butter and cheese and evaporated milk and even much of our fluid cream and ice cream from other sections. It is the same with meat and with many other foods. With free markets, an equitable distribution is forced by the interplay of regional prices—a delicate balancing mechanism which gives all sections an approximately equal share of the national supply. This delicate balancing mechanism has not been allowed to function for four full years now. Consumer rationing helped to postpone the inevitable result for a while, until black markets and lax enforcement forced its abandonment, but today the inevitable result is in full force and effect. Just before the controls went off at the end of June there was practically no butter to be had in New England—none in the stores and little if any on the

milk wagons—and scarcely any meat except in the full and open black market. Incidentally, one of the forces working toward fewer milk-cow numbers has been the attractiveness of the black-market beef prices.

This point illustrates the close economic relationship between price controls for dairy products and controls on livestock prices generally, including poultry and eggs. Close to 20 percent of our dairy herds are culled each year to be replaced by young stock which has been raised. These older dairy cows are sold in the beef market. If meat price controls are lifted, as they must be, then it is absolutely imperative that dairy products controls be lifted at the same time in order to avoid providing a real incentive for large-scale liquidation of dairy herds. Good dairy herds require years of breeding and selection to bring them to the point of efficient quality production, and a more rapid rate of liquidation than we now have would be a disaster of major proportions. In addition, dairy cows, poultry, and other classes of livestock are all competing for our limited supplies of grain and other feeds. The only balanced and reasoned solution for this problem that is fair to all groups and meets the test of national interest is to let the public at large make its choice on this matter through the preferences it signifies in the market place. Farmers, in turn, can then decide for themselves on the basis of relative prices, all equally free, what disposition to make of their feed and other production resources.

The experience in the last few days since July 1 have given me and a great many other Americans renewed faith in our country and its people and their leaders in agriculture and in industry. We had almost been led to believe that we could not walk alone; that all of our prewar institutions and ways of doing business were suddenly untrustworthy and no good; that industry could not accept responsibility; that consumers would be gouged beyond the very limits of endurance. We had almost forgot that the terms supply and demand are only relative terms and that they have meaning only in relation to the price. We had almost forgot how quickly and easily changes in prices, openly and aboveboard, can almost overnight change the flow of commerce in a way that seems practically impossible in the face of legally fixed-price obstacles.

There had been built up in the our minds a fear and dread of the day when subsidies would end—so that we hardly dared contemplate the results. That day has come now and gone. Prices went up gradually and orderly by just about the amount of the subsidies. They may go up a little more in some places, at least temporarily or until some regional or area problem are corrected. But, by and larger, the effect has been the opposite of what was predicted by price-control authorities. Producers have more faith and are more certain of the future of their markets. They can and will plan now for larger production to meet honest market demands. Consumers will have more adequate supplies

and can choose their own quality and quantity on the basis of honest market prices.

Unless we continue the exemption of dairy products from control we will destroy immediately the gain in producer confidence which probably has been the major step forward during the past few days of free prices. Roll-back prices will also bankrupt many small business firms which have made purchases on the open market in complete good faith and now own higher valued inventories. As regards inflation, the one basic fact we have to go on is that prices have risen only by the amount of the subsidies. Consumers now are permitted to pay their full milk and butter bills currently instead of having the Government borrow money to pay part of such bills through subsidies. I submit that Government borrowing is the more inflationary. The advantages, therefore, seem to me to be all on the side of voting to continue the price-control exemption for dairy products. I believe that not only milk producers but that consumers and the public at large will be better served in the long run through free market prices and the more ample milk supplies that will result. I am sure that this condition, which so aptly applies in New England, is general throughout the Nation.

Mr. THOMAS of Oklahoma. Mr. President, before the vote is taken on the pending amendment I desire to place in the RECORD the results of a hearing held recently before the Senate Committee on Agriculture and Forestry. The committee held hearings on agricultural products, including meat, poultry, milk, tobacco, and other farm products. With respect to milk, a hearing was held at which a number of representatives of the dairy industry appeared before the committee and testified. The request for this hearing was made by Mr. Charles W. Holman, secretary of the National Cooperative Milk Producers Federation, with headquarters in Washington. Mr. Holman placed in the RECORD a list of the companies, associations, and organizations which he represented. The list embraces between 85 and 90 organizations, some of which are very large, scattered throughout the United States. I ask unanimous consent to place in the RECORD at this point as a part of my remarks the list of organizations which Mr. Holman and his associates represented before the committee.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

MEMBER ASSOCIATIONS OF THE NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION, WASHINGTON, D. C.

Akron Milk Producers, 194 Carroll Street, Akron, Ohio.

Arrowhead Cooperative Creamery Association, 227 North Fifty-seventh Avenue West, Duluth, Minn.

Central Grade A Cooperative, Appleton, Wis.

The Central Ohio Cooperative Milk Producers, Inc., 12 North Third Street, Columbus, Ohio.

Challenge Cream and Butter Association, 929 East Second Street, Los Angeles, Calif.

Chattanooga Area Milk Producers Association, Chattanooga, Tenn.

Cheese Producers Marketing Association, Monticello, Wis.

Coastal Bend Milk Producers Association, Box 3216, Corpus Christi, Tex.

Connecticut Milk Producers' Association, 990 Wethersfield Avenue, Hartford, Conn.

Consolidated Badger Cooperative, Shawano, Wis.

Cooperative Pure Milk Association of Cincinnati, Plum and Central Parkway, Cincinnati 2, Ohio.

Dairy Cooperative Association, 1313 Southeast Twelfth Avenue, Portland 14, Ore.

Dairy Farmers Cooperative Association, Inc., Kentwood, La.

Dairy Farmers Cooperative Association, Arcadia, Tex.

Dairy Producers Cooperative, 703-713 South McDonough Street, Montgomery 5, Ala.

Dairymen's Cooperative Sales Association, 451 Century Building, Pittsburgh 22, Pa.

Dairymen's League Cooperative Association, Inc., 11 West Forty-second Street, New York 18, N. Y.

Denver Milk Producers, Inc., 810 Fourteenth Street, Denver 2, Colo.

Des Moines Cooperative Dairy, 1935 Des Moines Street, Des Moines 16, Iowa.

Enid Cooperative Creamery Association, 402 West Walnut Street, Enid, Okla.

Evansville Milk Producers' Association, Inc., Evansville 8, Ind.

Falls Cities Cooperative Milk Producers Association, 229 Bourbon Stock Yards Building, Louisville 6, Ky.

Farmers Equity Union Creamery Co., 169 Grove Avenue, Lima, Ohio.

Georgia Milk Producers Confederation, 661 Whitehall Street SW., Atlanta, Ga.

Golden Guernsey Dairy Cooperative, 2206 North Thirtieth Street, Milwaukee, Wis.

Guilford Dairy Cooperative Association, 1700 West Lee Street, Greensboro, N. C.

Indiana Dairy Marketing Association, Muncie, Ind.

Indianapolis Dairymen's Cooperative, Inc., 729 Lemcke Building, Indianapolis 4, Ind.

Inland Empire Dairy Association, 1803 West Third Avenue, Spokane 2, Wash.

Interstate Associated Creameries, 624 Southeast Division Place, Portland 14, Ore.

Inter-State Milk Producers Cooperative, Inc., 401 North Broad Street, Philadelphia 8, Pa.

Keosauqua Cooperative Creamery, Keosauqua, Iowa.

Knoxville Milk Producers Association, Knoxville 17, Tenn.

Land O' Lakes Creameries, Inc., 2201 Kennedy Street NE, Minneapolis 13, Minn.

Lehigh Valley Cooperative Farmers, 1026 North Seventh Street, Allentown, Pa.

McDonald Cooperative Dairy Co., 617 Lewis Street, Flint 3, Mich.

McLean County Milk Producers Association, 103 North Robinson Street, Bloomington, Ill.

Madison Milk Producers Cooperative Association, 29 Coyne Court, Madison 5, Wis.

Manchester Dairy System, Inc., 226 Second Street, Manchester, N. H.

Maryland and Virginia Milk Producers Association, Inc., 1756 K Street NW., Washington 6, D. C.

Maryland Cooperative Milk Producers, Inc., 810 Fidelity Building, Baltimore 1, Md.

Miami Home Milk Producers Association, 2451 Northwest Seventh Avenue, Miami, Fla.

Miami Valley Cooperative Milk Producers Association, Inc., 136-138 West Maple Street, Dayton, Ohio.

Michigan Milk Producers Association, 406 Stephenson Building, Detroit, Mich.

Michigan Producers Dairy Co., 1315 East Church Street, Adrian, Mich.

Mid-South Milk Producers Association, 1497 Union Avenue, Memphis, Tenn.

Mid-West Producers Creameries, Inc., 224 West Jefferson Street, South Bend, Ind.

Milk Producers Federation of Cleveland, 1012 Webster Avenue, Cleveland, Ohio.

Milwaukee Cooperative Milk Producers, 1633 North Thirteenth Street, Milwaukee, Wis.

Nebraska Cooperative Creameries, Inc., Fifteenth and Webster Streets, Omaha, Nebr.

Nebraska-Iowa Non-Stock Cooperative Milk Association, 402 North Twenty-fourth Street, Omaha, Nebr.

New Bedford Milk Producers Association, Inc., 858 Kempton Street, New Bedford, Mass.

New England Dairies, 142 Cambridge Street, Charlestown, Mass.

New England Milk Producers Association, 73 Cornhill, Boston, Mass.

The Northwestern (Ohio) Cooperative Sales Association, Inc., 2221½ Detroit Avenue, Toledo, Ohio.

Paducah Graded Milk Producers Association, Inc., Route 1, Paducah, Ky.

Peoria Milk Producers, Inc., 216 East State Street, Peoria 2, Ill.

Pure Milk Association, 608 South Dearborn Street, Chicago 5, Ill.

Pure Milk Producers Association of Greater Kansas City, Inc., 853 Live Stock Exchange Building, Kansas City 15, Mo.

Pure Milk Products Cooperative, 20 Forest Avenue, Fond du Lac, Wis.

Richmond Cooperative Milk Producers Association, 516 Lyric Building, Richmond 19, Va.

St. Joseph (Mo.) Milk Producers Association, Inc., 1024 South Tenth Street, St. Joseph 26, Mo.

Sanitary Milk Producers, 511 Locust Street, St. Louis 1, Mo.

Sioux City Milk Producers Cooperative Association, Inc., 511 Warnock Building, Sioux City 15, Iowa.

South Texas Producers Association, Inc., 3600 Center Street, Houston, Tex.

The Stark County Milk Producers Association, Inc., 212 Canton Building, Canton 2, Ohio.

Tillamook County Creamery Association, Tillamook, Ore.

Twin City Milk Producers Association, 2402 University Avenue, St. Paul 4, Minn.

Twin Ports Cooperative Dairy Association, 6128 Tower Avenue, Superior, Wis.

Rochester Dairy Cooperative, Rochester, Minn.

United Dairymen's Association, 635 Elliott Avenue, West, Seattle 99, Wash.

United Farmers Cooperative Creamery Association, Inc., 86 Cambridge Street, Charlestown 29, Mass.

Valley of Virginia Cooperative Milk Producers Associations, Harrisonburg, Va.

Vigo Cooperative Milk Marketing Co., Inc., 414 Mulberry Street, Terre Haute, Ind.

Wayne Cooperative Milk Producers, Inc., 340 East Berry Street, Fort Wayne 2, Ind.

Wisconsin Cheese Producers Cooperative, Plymouth, Wis.

Mr. THOMAS of Oklahoma. Mr. President, I desire to place in the RECORD the names of those who appeared before the committee, because their testimony is now a part of the record in the printed hearings.

The distinguished Senator from Florida [Mr. PEPPER] appeared as a witness. I wish to say in his behalf that he did not advocate the removal of controls from dairy products, but he made a very clear statement to the effect that one of two things should happen—either control should be removed from milk or a satisfactory subsidy should be provided by the Government, to the end that the dairy industry might continue to operate throughout the country.

There also appeared at the hearing Mr. B. E. Stallones, manager of the South Texas Producers Association, of Houston, Tex.

There also appeared at the hearing Mr. Glenn W. Cope, of Cope, S. C., repre-

senting the Coastal Milk Producers Association, the Edisto Cooperative Milk Producers, Inc., and the South Carolina Dairy Association, Inc.

There also appeared Mr. Fred H. Suhre, manager of the Farmers' Marketing Association, and president of the Midwest Producers' Creameries, Inc., of Columbus, Ind.

There also appeared Mr. W. Kerr Scott, a dairy farmer of Raleigh, N. C., and Commissioner of Agriculture of the State of North Carolina.

There also appeared Mr. Russell S. Waltz, general manager of the United Dairymen's Association, of Seattle, Wash.

There also appeared at the hearing Mr. A. G. Wells, president of the Wells Dairies Cooperatives, Columbus, Ga., and chairman of the legislative committee of the Georgia Dairy Association.

There also appeared Mr. J. H. Cone, vice president of the Florida Dairy Association.

Except for one witness, the Senator from Florida, each person present urged the committee to recommend that milk and milk products be decontrolled. At that time, of course, they were under control. There is now no control on these products. I wish to join the Senator from Nebraska in trying to prevent controls being placed upon milk and milk products. So when the question comes to a vote I shall vote to sustain the amendment offered by the Senator from Nebraska.

Mr. LA FOLLETTE. Mr. President, in all the years I have served in the Senate I have never seen a more complex or difficult legislative and economic decision confronting the Congress. At best, after a war of the magnitude of that through which this country has passed—a war which required the utilization of the manpower and productive facilities of agriculture, industry, and transportation—the period of reconversion to peacetime activities is indeed difficult.

But, so far as the problem of price control in the reconversion period is concerned, it is my firm conviction that it has been complicated beyond necessity by certain decisions which were made shortly after VJ-day involving the relaxation of certain types of control.

In the situation which confronted us in our efforts to reenact this legislation, I endeavored to utilize my vote as one Member of the Senate in an effort to pass an extension of price control which would give us the best possible measure that could secure a majority in both Houses of Congress. The President saw fit, in the exercise of his constitutional prerogatives, to veto that legislation, and we are now in the process of an effort to enact legislation in the light of that action.

I have not been one of those who believe that the abolition of price control at this time would in the end be in the best interests of the people of the United States and our complicated economy. Yesterday I voted with the minority against the amendment offered by the Senator from Nebraska [Mr. WHERRY] to decontrol livestock and poultry products. Today I voted against the amendment offered by the Senator from Mississippi [Mr. EASTLAND] to decontrol cot-

tonseed and soybeans and their products. I am sorry that the majority of the Senate has seen fit to take the action which it took in connection with both these amendments because I still believe that there is need for effective price control, and I fear—yea; I know—that the action taken by the Senate will bring in its wake a chain of events which are inevitable, and which may in the end serve to cripple effective price control during the remainder of the reconversion period.

I make this statement fully aware of the administrative shortcomings which the OPA has demonstrated. When this legislation was first under consideration I expressed the opinion that effective controls should be extended. I am sorry that the people of the country do not understand—and it is quite natural that they should not understand—the complex legislative machinery which is essential to the enactment of legislation. I still intend to use my vote, in the complex legislative situation which confronts us, to obtain the best price control bill which can pass both Houses of Congress. I am convinced that the chaos and uncertainty of the present situation must be remedied; and I for one do not believe that we should take the long chance of lacking inflation without control.

But the Senate has now acted upon the two amendments to which I have referred, and in all probability this measure will have to go to conference. In the light of that fact, it seems to me essential, so far as the dairy industry is concerned, that the conference committee should be in a position to consider the entire problem of decontrol of various commodities as a whole. In other words, if this amendment is defeated the conference will have one of two alternatives. It will either eliminate the decontrol of livestock and poultry and of soybeans and cottonseed, or it will adopt them in conference; but if this amendment is not agreed to the conferees will not have it within their power to consider the interrelationship which exists between the dairy industry and the livestock industry. Everyone familiar with those two industries must know that the economic balance between them would be completely upset if the livestock industry were to be decontrolled and the dairy industry were to be placed back under price control.

Both of these industries have a common dependency on feed and grain supplies. In many areas there is also a ready interchangeability from one line of livestock production to another. There is also a wide range of food substitution, insofar as consumers are concerned, among dairy products, meats, and poultry. If the final action of the conference should be to remove the meat industry from control, but if dairy products were not removed from control there would be very serious danger that large numbers of dairy cows would be sent to the slaughter houses. If that should eventuate, the dairy industry would have its efficiency and its productive capacity impaired for a number of years, if not for many years to come. A high level of meat prices, as compared with milk prices, could easily produce that result.

Another important factor as to why these two industries must be considered jointly lies in the relation between feed values and livestock prices. The corn and other feeds will be fed to the kind of animals that are highest in price. If meat prices are relatively higher than milk prices, then the feed will go to the hogs and beef cattle, rather than to milk cows. That again would have a serious, long-term effect on the dairy industry and its capacity to produce the essential items of food needed both in this country and abroad.

For these reasons, Mr. President, I feel that I must support the pending amendment, which will give the conferees an opportunity to give equal treatment to both of these interrelated industries. And I urge that the conferees do give the dairy and livestock industries equality of treatment insofar as price control is concerned.

The PRESIDING OFFICER (Mr. MYERS in the chair). The question is on agreeing to the amendment submitted by the Senator from Nebraska [Mr. WHERRY] in his own behalf and in behalf of a number of other Senators. On this question the yeas and nays have been ordered.

Mr. WHITE. Mr. President, if no Senator desires to address the Senate at this moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hart	Myers
Andrews	Hawkes	O'Daniel
Austin	Hayden	O'Mahoney
Bail	Hill	Overton
Barkley	Hoev	Pepper
Bridges	Huffman	Reed
Briggs	Johnson, Colo.	Revercomb
Brooks	Johnston, S. C.	Robertson
Buck	Kilgore	Russell
Bushfield	Knowland	Smith
Byrd	La Follette	Stanfill
Capehart	Langr	Stewart
Capper	Lucas	Swift
Carville	McCarran	Taft
Chavez	McClellan	Taylor
Cordon	McKellar	Thomas, Okla.
Donnell	McMahon	Thomas, Utah
Downey	Magnuson	Tobey
Eastland	Maybank	Tunnell
Ferguson	Mead	Wagner
George	Millikin	Wherry
Gerry	Mitchell	White
Gossett	Moore	Wilcy
Green	Morse	Willis
Guffey	Murdock	Willson
Gurney	Murray	Young

The PRESIDING OFFICER. Seventy-eight Senators having answered to their names, a quorum is present.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] on behalf of himself and other Senators.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Arizona [Mr. McFARLAND], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

The Senator from Virginia [Mr. BURCH] and the Senator from Arkansas [Mr. FULBRIGHT] are unavoidably detained.

The Senator from Massachusetts [Mr. WALSH] is detained on official business at the Navy Department.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

On this question the Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from Arizona [Mr. McFARLAND]. If present and voting the Senator from Arkansas would vote "nay," and the Senator from Arizona would vote "yea."

I also announce that on this question the Senator from Texas [Mr. CONNALLY] is paired with the Senator from Massachusetts [Mr. WALSH]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Massachusetts would vote "nay."

If present and voting the Senator from Maryland [Mr. RADCLIFFE] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 51, nays 27, as follows:

YEAS—51

Alken	Ball	Buck
Andrews	Bridges	Eushfield
Austin	Brooks	Capehart

Capper	Knowland	Russell
Carville	La Follette	Smith
Cordon	Langer	Stanfill
Donnell	McCarran	Stewart
Eastland	McClellan	Swift
Ferguson	Maybank	Taft
George	Millikin	Thomas, Okla.
Gerry	Moore	Tobey
Gossett	Morse	Wherry
Gurney	Murdock	White
Hart	O'Daniel	Wiley
Hawkes	O'Mahoney	Willis
Hoey	Reed	Wilson
Johnston, S. C.	Robertson	Young

NAYS—27

Barkley	Huffman	Murray
Briggs	Johnson, Colo.	Myers
Byrd	Kilgore	Overton
Chavez	Lucas	Pepper
Downey	McKellar	Revercomb
Green	McMahon	Taylor
Guffey	Magnuson	Thomas, Utah
Hayden	Mead	Tunnell
Hill	Mitchell	Wagner

NOT VOTING—18

Bailey	Ellender	Saltonstall
Bilbo	Fulbright	Shipstead
Brewster	Hatch	Tydings
Burch	Hickenlooper	Vandenberg
Butler	McFarland	Walsh
Connally	Radcliffe	Wheeler

So Mr. WHERRY's amendment, offered on behalf of himself and other Senators, was agreed to.

Mr. REED and Mr. RUSSELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. REED. Mr. President, I understand that the senior Senator from Tennessee [Mr. McKellar] desires to present a conference report which can be promptly disposed of. I shall be very glad to yield to him for that purpose if I do not, thereby, surrender the floor.

Mr. McKellar. Mr. President, I will wait until the Senator has completed what he wishes to say.

Mr. RUSSELL. Mr. President I do not suppose that I can do anything about it. I have no way of protecting myself, but I am quite sure that I addressed the Chair before any other Senator addressed the Chair.

Mr. REED. Mr. President, I desire to call up the amendment bearing at the bottom of the page the letter "E," and ask to have it considered.

The PRESIDING OFFICER. The amendment offered by the Senator from Kansas will be stated.

The LEGISLATIVE CLERK. On page 9, after line 14, it is proposed to insert the following:

(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, and products processed or manufactured in whole or substantial part therefrom.

Mr. REED. Mr. President, in the light of the action which was taken by the Senate last evening and today whereby it released meat and dairy products from control, I assume that this amendment will not require very much discussion.

There is nothing now which can be logically done except to follow the previous action of the Senate by letting grain go on a free market so that the deficit areas of the United States may be supplied with their requirements for feed.

Mr. President, there is no commodity which is so widely produced and distributed, and which moves with such fluidity as grain. For use in feeding livestock, New England, the Pacific coast region, Delaware, Pennsylvania, and the Southeast all depend upon grain produced in the Central Western States. There is no other place from which it can come.

The only objection which I have heard from any of my senatorial colleagues to the removal of controls on grain is based on the fear that the prices of grain might get out of hand. I invite attention to the fact that a great wheat crop which has been grown in the Southwest is now being marketed in Kansas City, which is the great market for winter wheat. When the controls went off, the price of hard wheat opened at Kansas City at about \$2.07 a bushel. The price receded until yesterday it was \$2.01 a bushel. That is about 11 cents above the ceiling price. Mr. President, the UNRRA organization through the Commodity Credit Corporation was seeking wheat, to supply the famine needs in Europe and other places. The present price at which wheat is moving to the free market at Kansas City is 19 cents a bushel below what the UNRRA organization pays for the wheat needed, and bought and delivered to UNRRA for distribution in Europe. I think that illustrates what a free market will do.

A group of Senators, including myself, called on the Secretary of Agriculture some weeks ago, I think the latter part of April. At that time the Secretary told us what we already knew, that for an indefinite period there has been no corn on the free market in amounts of any consequence. He was offering a premium of 25 cents a bushel in order to bring corn out from the black market. I think he secured approximately 50,000,000 bushels, and as I recall the program, he was going to turn the first 25,000,000 bushels over to corn processors. That illustrates what has happened in the grain market, as well as in the other markets. I met a great Delaware livestock producer in the halls here a few moments ago; who told me he had just bought a carload of corn on the Chicago market. I asked him when he had bought it, and he said he had bought it since July 1. I asked him when he was able to buy corn on the Chicago market before that, and he said it had been so long ago that he had forgotten when it was. No corn has been available through the regular markets. But since the first of July these grains have moved freely, they have moved at moderate prices, and there is every reason to believe they will continue to move at moderate prices.

I wish to say again that, so far as the grain situation is concerned, the deficit areas like the Southeast, New England, New York, Delaware, the Pacific coast, and including Wisconsin, all of which depend on the grain-surplus-producing States, are much more concerned in a free market for grain than we in the producing areas, so far as the price is concerned.

Mr. President, I make that statement with all the earnestness at my command.

Certainly there would be no logic at all in taking controls off meat, which is perhaps at least one of the two or three largest consumers of corn, and taking controls off dairy products—and those two combined are the two great consumers of feed grains—and not giving these deficit areas the privilege of a free market through which their grains might move.

Mr. President, let me forecast a little for the future of this year. The Southwest wheat crop is already made and mostly harvested. The spring wheat is yet to be made. The present indications are that there will be somewhat more than a billion bushels of wheat, which is sufficient for domestic needs and for foreign requirements.

Several times I have discussed with the Department of Agriculture methods of securing wheat for the famine needs, for relief purposes over the world. The corn crop to be harvested this fall is presently estimated at 3,500,000,000 bushels, which, if the estimate is fulfilled, will be the largest corn crop we have ever had. The oats crop is estimate at about a billion and a half bushels. So far as anyone can tell at this time, there is going to be an ample supply of grain. There will be no justification for more than a temporary increase in grain prices until the law of supply and demand has had time to operate.

Therefore, again I say, the matter of most consequence in the grain situation is that a free market be restored, so that grain may move freely for the benefit of the deficit areas which have been unable to secure feed for the past several years in sufficient quantities.

In recent months, really in recent weeks, New England, which is a great dairy section, got into a desperate situation. There was feed in the country, but under the restrictions imposed on free marketing and the free movement of grain, it simply did not move. The junior Senator from New Hampshire [Mr. Tobey] wrote a letter to the President, as we all recall, in which he sent out a Macedonian cry and received an answer from the President. But the Senator from New Hampshire did not overstate the case.

The far West has always depended mostly upon the State of Nebraska for corn for feed. The Pacific coast mills have always depended on the "Triangle" in Montana for a certain class of hard wheat. The New England States, and the other feeding and dairy areas of the East, and the feeding areas of the Southeast, have always depended upon the surplus-producing areas for feed to carry on their business.

Mr. President, there is every reason, in the light of what we have done yesterday and today, to look forward, and to establish grains on a free market. I do not apprehend any increase, beyond possibly reasonable margins, in any of the grains, either the food grains or the feed grains, and I hope the amendment will be agreed to.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. YOUNG. Is it not a fact that grain prices are lower now than if labor prices were included in computing the parity price?

Mr. REED. If labor costs were added in the parity formula, the parity price of grain would be above the present price.

TREASURY AND POST OFFICE APPROPRIATIONS—CONFERENCE REPORT

Mr. McKELLAR submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 32 and 33.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 35, and 36, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$432,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$89,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$177,050"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$196,200"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$65,300,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$324,900"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$952,300"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$762,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,161,750"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$644,900"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$158,750"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$380,500"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$522,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$6,192,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$37,110,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$6,723,750"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 39, and 40.

KENNETH McKELLAR,
CARL HAYDEN,
THEODORE FRANCIS GREEN,
WALLACE H. WHITE, JR.,
CHAN GURNEY,
CLYDE M. REED,

Managers on the Part of the Senate.

EMMET O'NEAL,
CLARENCE CANNON,
THOMAS D'ALESSANDRO, JR.,
HERMAN P. KOPPLEMANN,
JOHN TABER,
FRANK B. KEEFE,

Managers on the Part of the House.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the present consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr. McKELLAR. Mr. President, every Senator knows that the only matter now involved is the silver question. The House has disagreed to the Senate amendment on that subject. I wish to make a motion. The motion has been prepared by the Parliamentarian, and it is in order, and I think it is the best way to settle this very controversial question. It does not accomplish as much as the Senator from Nevada [Mr. McCARRAN] asks on the one side, and not as much as the Senator from Rhode Island [Mr. GREEN] asks on the other. As the Senator from Arizona [Mr. HAYDEN] and I have agreed—and I hope other Senators will agree with us—it is a fair, moderate compromise.

The Senator from Arizona has engineered the compromise, and, as we all know, he is not only a good compromiser, but he is a good legislator, and I have the greatest confidence in him.

Mr. BARKLEY. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. I hope the fate of this fair, moderate compromise will not

be the same as that of some other fair, moderate compromises in legislation to which my attention has been attracted. [Laughter.]

Mr. McKELLAR. I can understand the Senator's views on that subject perfectly, as I believe I participated in one of those compromises with him. It did not work out. I hope this one will work out better.

The motion prepared by our parliamentarian, and which is the motion I make in regard to this very controversial matter, is as follows:

I move that the conferees on the part of the Senate be instructed to agree to an amendment to Senate amendment No. 7 which will omit the matter proposed to be inserted by said amendment, and restore the matter stricken out by the Senate amendment, and in lieu of the "71.11 cents" specified in the matter so restored, insert "90.3 cents"; and at the end of the matter so restored insert a colon and the following: "Provided further, That hereafter each United States coinage mint shall continue to receive for coinage silver mined from natural deposits in the United States or any place subject to the jurisdiction thereof, as provided in the act of July 6, 1939 (Public Law 165, 76th Cong.), except that the seigniorage to be deducted shall be 30 percent instead of 45 percent as provided in section 4 (b) of said act."

If that motion is agreed to it will mean simply that the price of silver will be fixed at 90.3 cents instead of 71.11 cents.

I desire to tell the Senate the predicament we are in respecting this bill. Ordinarily Treasury and Post Office appropriation bills are not difficult to have passed and agreed upon in conference, but this amendment has kept us from final action up to the present time. By the 15th of July the employees of these two departments will have to go without their pay unless the measure is finally acted upon before that date, and it looks now like they will go without their pay unless we come to some conclusion. It is not a proper thing for us not to come to a conclusion on this matter. I think we should finally determine the question, and the best way to determine it is along the line that has been suggested. The Senator from Arizona has said that this is the best way to determine the question, and I have great confidence in his judgment, especially respecting anything pertaining to the great West. He is very level-headed respecting such matters and all others. I hope the Senate will agree to the motion.

As I understand, a preferential motion is to be made. I hope the preferential motion will be voted down, and that we can take definite action. I believe that if the present law is continued in force there will not be as much silver produced, and the price will be higher than it will be if we adopt the proposed increase from 71.11 cents to 90.3 cents. I hope very much the motion I have made will be agreed to.

Mr. WHITE. Mr. President, I do not want to interfere with any Senator who may have the floor, but if I secure the floor I wish to suggest the absence of a quorum.

Mr. McKELLAR. I yield the floor.

Mr. GREEN. Mr. President, I desire to make a preferential motion, and before I do so I wish to make a word of explanation as to why I make that

motion. I regret very much to find myself not in entire agreement with the President of the Senate who, as chairman of the conference committee, has presented the report and made a motion.

Mr. McKellar. Mr. President, will the Senator yield?

Mr. Green. I yield.

Mr. McKellar. I omitted to ask that the conference report be agreed to. That should be done first, and after that, the preferential motion can be made.

The PRESIDING OFFICER (Mr. Johnston of South Carolina in the chair). The question is on agreeing to the conference report.

Mr. White. Mr. President, before there is any agreement—

Mr. McKellar. This is not a question of an agreement. The question is on the adoption of the conference report.

Mr. White. Before the question is put on the adoption of the conference report I should like to make a point of no quorum.

Mr. McKellar. Very well.

Mr. White. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gurney	Myers
Andrews	Hart	O'Daniel
Austin	Hawkes	O'Mahoney
Ball	Hayden	Overton
Barkley	Hill	Pepper
Bridges	Hoey	Reed
Briggs	Huffman	Revercomb
Brooks	Johnson, Colo.	Robertson
Buck	Johnson, S. C.	Russell
Burch	Kilgore	Smith
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Langer	Swift
Capper	Lucas	Taft
Carville	McCarran	Taylor
Chavez	McClellan	Thomas, Okla.
Cordon	McKellar	Thomas, Utah
Donnell	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Maybank	Wagner
Ferguson	Mead	Walsh
Fulbright	Millikin	Wherry
George	Mitchell	White
Gerry	Moore	Wiley
Gossett	Morse	Willis
Green	Murdock	Wilson
Guffey	Murray	Young

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Mr. Green. Mr. President, I desire briefly to state what the parliamentary situation is. Last October I introduced a bill which, in effect, would have continued the existing law. The law had previously been continued for 2 years, and after that time it had been continued for a year, and the time of the second continuance expired last December 31. Since then there has been no law on the subject. No action was taken on the bill I introduced until recently. Despairing of any action, the House, when it was considering the Treasury and Post Office appropriation bill, inserted that so-called Green bill as a part of the appropriation bill. The appropriation bill came over to the Senate with the so-called Green bill in it. In the Senate committee to which the appropriation bill was referred an amendment was added, and the measure, as it was re-

ported from the committee, was approved by the Senate. Conferees on the part of the Senate were appointed and met with conferees on the part of the House. The House conferees refused to agree to the Senate amendment, and took the matter back to the House. Yesterday for the second time the House affirmed its position by a vote of 266 to 22. The House has consistently conceded almost everything to the Senate in connection with this conference. The Senate receded on two items. The House receded on 19 items, and on three there was disagreement. Yesterday the House took up the three matters in disagreement. It conceded two, but remained firm on the third, which is the matter now before us, by the vote which I stated, 266 to 22. Therefore it seems to me that in consideration of the attitude of the House, both in conceding so much to the Senate and in standing firm on this matter, we should recede from our position. The proper way for us to recede is to recede from the amendment which the Senate added to the appropriation bill. I therefore move that the Senate recede its amendment.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The Senator's motion will be in order after the conference report is disposed of.

Mr. McKellar. I ask that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5452, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 9, 1946.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 39 and 40 to the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes, and concur therein; and

That the House insist upon its disagreement to the amendment of the Senate numbered 7 to said bill.

Mr. Hayden. Mr. President, will the Senator from Rhode Island yield to me?

Mr. Green. I yield.

Mr. Hayden. I am sure that the Senator from Rhode Island wishes to state the situation before the Senate exactly as it now exists.

The Senator stated that the House had rejected by a very large vote the proposal which the Senator from Tennessee had offered. The fact is that the House had no choice, because a Member of the House exercised the same privilege which the Senator from Rhode Island is exercising. He made a preferential motion that the House concur in the entire Senate amendment, which included a price of \$1.29 an ounce for silver. The House had to vote on the question that way, and no other way. There was no 90-cent proposal anywhere in it; and for that reason, the House being opposed to a price of \$1.29, as are a great many Sen-

ators, the vote was overwhelmingly opposed to it.

The proposal now is to abandon entirely the price of \$1.29 for silver, and to fix the price at 90.3 cents, which was in the original compromise. That is what we are now asking be sent back to conference, with instructions to the conferees.

In other words if the motion of the Senator from Tennessee is agreed to, the Senate will completely abandon any idea of a price of \$1.29 for silver. It will merely say that the price, now fixed at 71.11 cents, shall be 90.3 cents. That is an increase of about 26½ percent.

The Treasury Department has expressed approval of that price. I have a letter addressed to the Senator from Tennessee by Secretary Vinson, dated May 2, in which he states:

If the Congress should decide that Treasury silver is to be made available for industrial use only at a price of approximately 90.3 cents an ounce, and at the same time that the price paid by the Treasury for newly mined domestic silver should be increased to approximately 90.3 cents an ounce, the Department would not be disposed to object. On the other hand, the Treasury would be strongly opposed to any legislation ultimately increasing the price paid by the Treasury for newly mined silver to \$1.29.

We are doing exactly what the Secretary of the Treasury indicated in that letter. We are not asking for \$1.29. We are saying that silver shall be sold from the Treasury at 90.3 cents an ounce, and that the American producer of silver shall receive 90.3 cents an ounce. That is all there is to the proposal.

Mr. Walsh. Mr. President, will the Senator from Rhode Island yield to me so that I may ask the Senator from Arizona a question?

Mr. Green. I should like first to correct the statement made by the Senator from Arizona.

The Senator from Arizona intimated that I made some misstatement. I made no misstatement. Nothing that I said showed that I made any misstatement. I made no reference to any figures as to the price of silver.

What I stated was that the appropriation bill included the measure originally introduced by me, which in substance continued the existing law, which expired last December 31; and furthermore that the House conferees were instructed to insist on that when this question was brought up in conference, and the House conferees did insist. They took the question back to the House, and yesterday the House again instructed them to insist. That was done by a vote of 226 to 22.

I have no doubt that it is true, since my friend and colleague has said so, that the Secretary of the Treasury has written a letter to the effect that he would accept the new figure. However, I invite the attention of the Senate to the fact that at the time the original Green bill was before the Committee on Banking and Currency he also stated that he was in favor of the bill as introduced, in which the price was 71.11 cents. Furthermore, he has written the corresponding committee in the House to the same effect.

appropriations bill carrying a rider for the sale of Treasury-held silver to industry for industrial and manufacturing purposes.

We hope you will vote that the bill when passed shall include the rider.

Industrial silver is used in numerous electric items which we purchase or make, for instance, relays, circuit breakers, electronic tube sockets and terminals, nickel silver wire, and silver solder.

Very truly yours,

THE STANDARD ELECTRIC TIME CO.,
H. W. ANGER, Treasurer.

UNITED STATES POST OFFICE

Greenfield, Mass., June 15, 1946.

Hon. DAVID I. WALSH,

United States Senator,

Senate Office Building,

Washington, D. C.

DEAR SENATOR WALSH: The Rogers, Lunt & Bowlen Co., silver products manufacturers, consulted me this morning and are much disturbed over the lack of being unable to obtain silver.

Without doubt they have already contacted you on this matter, which is associated with House bill 5452. Mr. Lunt, of the Rogers, Lunt & Bowlen Co., talked with me personally and said that their factory will be compelled to close unless they are able to obtain silver immediately.

Without question you know full well the situation and I feel certain that you are doing everything in your power to be helpful to the people of this district. However, we feel there is no harm in reminding you of the great necessity of immediate action.

With kind regards and best wishes, I am,

Sincerely yours,

J. B. KENNEDY.

COLE-HERSEE Co.,

Boston, Mass., June 11, 1946.

Hon. DAVID I. WALSH,

Senate Office Building,

Washington, D. C.

DEAR SIR: As a company whose production involves in a large part the use of industrial silver, we solicit your support of the original Martin amendment to H. R. 5452, which provides for the purchase of Treasury silver at 71 cents per ounce.

Reconversion in a large degree depends upon industrial silver for use in extensive production of all electrical products, contrary opinion to the effect that only a few manufacturers of so-called luxury items are affected notwithstanding.

The present controversy, notably the Murdock bill, S. 2206, is not only temporizing but, if passed, authorizing the price of \$1.29 per ounce with further increases in the future, is inflationary because of the scope of products in which silver is used.

Very truly yours,

COLE-HERSEE Co.,

L. MAYER,

President.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1746. An act to govern distribution of war trophies and devices;

H. R. 5356. An act to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes; and

H. R. 6428. An act making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. MORSE obtained the floor.

Mr. O'DANIEL. Mr. President, will the Senator yield to me?

Mr. MORSE. I am glad to yield to the Senator from Texas.

Mr. O'DANIEL. I desire to read an excellent editorial published in the Washington News of today, dealing with the death of OPA. The Scripps-Howard newspapers, long supporters of OPA, are ready to settle for rent control. They predict that the passing of OPA will be similar to the passing of NRA, when the dire things which were prophesied failed to materialize. The editorial is from the Washington Daily News, a Scripps-Howard newspaper. It is entitled "OPA Is Dying." The editorial reads as follows:

OPA IS DYING

Today, there is some question whether President Truman will get out of Congress another OPA bill as good as or a little worse than the one he vetoed—and whether, when he gets it, he will approve it or veto again.

And, on evidence presently at hand, there is doubt whether it will make much difference.

OPA has been a dead Cock Robin for 10 days, counting today. And so far the economic effect has been less than cataclysmic.

The only sustained and voluminous public uproar is for reinstitution of rent controls. On that question there seems to be few, if any, dissenting voices in Congress. If there is failure to agree on other OPA features, it should be easy to get a meeting of minds on rent control.

That can be explained, perhaps, by the fact that in the war years several million American families were begun, while very few additional homes were being built. And it will take a long time to build enough houses and apartments, a longer time than on most items, for supply to overtake demand. Hence the need of controls to keep some landlords from charging all the traffic will bear. Even on rents, many tenants seem to be willing to pay reasonable increases to meet the added costs landlords have had to assume in the upkeep of their properties.

As important as or more so than a roof overhead, is something in the stomach. So people are worried about food costs. Since OPA's demise, most food costs, that is, costs legally charged, have risen, though some have fallen. Part of the rise is explained by the discontinuance of subsidies which had been paid to food producers and processors under the OPA set-up—so to that extent the consumer actually paid the full price in taxes, if not in prices. Then there is that difference between what was the legal OPA ceiling price and the black-market price. The principal legal price increases have been in meat and dairy products. In some American communities as much as 80 and 90 percent of available meat and butter was in the black market in the last few months of OPA. So statistics don't mean much.

For instance, in the New York City market, butter has ranged from 70 to 80 cents a pound. That's compared to the old OPA ceiling of 65 cents a pound—but with very little butter being offered at that price—while the black market offered butter aplenty at \$1 and \$1.25 a pound.

The same with meats. In the last week there has been the greatest flood of cattle

and hogs into the markets in a decade. Prices have bobbed up and down. Roughly those prices have been above the OPA ceiling, yet below the black prices. So how can anyone tell whether prices have risen or declined over the prices most people actually paid before the end of OPA?

One thing we do know is that in the last year the Government paid out \$1,874,000,000 in money taxed and borrowed, in food subsidies alone. Also \$70,000,000 in copper, lead, and zinc subsidies, and \$54,000,000 in subsidies for stripper oil wells. That was pretty close to a \$2,000,000,000 total. And the new OPA bill provided \$1,000,000,000 subsidies for the year now starting. So if the OPA is not continued, we'll save a lot of money that we otherwise would spend in subsidies.

Scripps-Howard newspapers have supported continuance of OPA. We have believed in orderly decontrols. But the ineffective law which Congress now seems willing to enact is not one which gives us much hope.

The exemption of meat and poultry yesterday was the pay-off. More exemptions are likely to follow today. Maybe we would be better off to accept extension of rent controls and forget about the rest.

We recall that we also were among those who were strong for NRA. When the Supreme Court knocked NRA in the head, we were among those who prophesied that there would be hell to pay. We were afraid wages would be cut. William Green of the AFL predicted there would be widespread labor unrest and strikes—then even as now. We were afraid there would be cutthroat price cutting. (Those were the days when everyone was talking about the need of higher prices, not lower.) But when NRA passed out of existence, what happened? Nothing much. Both prices and wages remained about the same.

Ours is a tough country. We survived NRA with all its fumble-bumble economics. And we survived the death of NRA. We lived through OPA, despite all its bureaucratic thumbs. And if OPA isn't continued, we'll probably still be doing business at the old stand.

Ours is an abundant land. So long as Americans work and produce, we'll probably be able to get what we want for what we can afford to pay. That is, if we work and produce.

Mr. President, I am very glad to read that encouraging editorial, which shows that as strong a supporter of OPA as the Washington Daily News now admits that we might be just as well off if OPA were to remain dead. I certainly hope OPA remains dead and I thank the Senator from Oregon for having yielded to me.

Mr. MORSE. Mr. President, I was very happy to yield to the Senator. I infer from the contents of the editorial and the approving way in which the Senator from Texas read it, that the Senator from Texas is at least in favor of rent control.

I want to make a suggestion or two, Mr. President, as to some other things that I think ought to be subjected to control. I am not going to speak at any great length, but I would preface my remarks by pointing out that I have been a staunch defender of the objectives of OPA. I voted not so many days ago with 16 other Members of the Senate for the Pepper substitute which would have extended price control. I still think it was the best type of legislation that we could have passed. I would still vote for such legislation. I voted against the conference report which involved the

bill which was vetoed by the President, and at that time I set forth my reasons for voting against the conference report. I stand by those reasons, and I submit that subsequent events have amply sustained the point of view which I took at that time. In the CONGRESSIONAL RECORD for June 26, 1946, I said the following about the conference report on OPA:

Mr. MORSE. Mr. President, I shall make only a few remarks at this time on the OPA conference report. I simply wish to say that on the basis of my study of the conference report today and on the basis of the debate which I have heard on the floor of the Senate today, my present opinion is that for several major reasons it will be impossible for me to vote for the conference report.

First, I am satisfied that the report in its present form would be more inflationary than no OPA at all, because I think it will result in such confusion and disruption of production as to be a serious impairment to production. Thus it will be causative, rather than preventive, of inflation.

In the second place, I cannot vote for the conference report in its present form because I think the Taft amendment results in undue benefits to American industry, to which it is not entitled, and amounts to grossly unfair discrimination against the agricultural interests of the United States. I do not propose to vote for discriminatory legislation.

In the third place, my present intention is to vote against the conference report because, if I correctly understand the ruling which was made earlier today by the Chair, the only hope we have of getting this problem back to conference is by rejecting the conference report. Then, from a parliamentary point of view, we shall be in a position to direct our conferees to go back into conference. Therefore, from a parliamentary standpoint, I do not think I could justify a vote for the conference report, because I think in toto, in every section thereof, it is an exceedingly unsound and unwise piece of legislation. As a liberal Member of this body, I cannot sentence the American people to the great inflationary cruelties which I think will flow from the adoption of this report.

However, since the passage of the bill which was supported by the conference report, and which was overruled by the subsequent veto by the President, we have had a new measure brought before us. I think we must be pretty cold realists in regard to the OPA legislative situation which now confronts the Senate. I think it is perfectly obvious that the measure which has come from the Committee on Banking and Currency is one which will be considerably modified when it finally passes this body. What I am seeking to do is to follow what I think are some sound economic principles in considering the new OPA bill now before us.

I point out that if we had passed the Pepper substitute calling for a continuation of OPA, for which I voted, with appropriate modifications in the procedure of OPA for which I have fought for the past year without success in the Senate; if we had united upon an improvement in the enforcement policies and central-office procedures of OPA, which I think gave rise to much of the opposition to OPA in this country; if we had required a greater regionalization of OPA, with the vesting of greater finality of administrative decision in the regional boards of OPA so that they could have taken into account regional differences, we would have had a much sounder OPA

program than in my judgment will result from the final action of the Senate upon the OPA bill now pending before us.

So as we face these various amendments and make up our minds, on the basis of the debate which takes place here, as to those that we shall support and those that we shall oppose, I think we should not lose sight of a few elementary economic principles which ought to determine, in large measure, the judgment which we make as we proceed to pass what obviously is going to be compromise OPA legislation. I think we ought to be completely intellectually honest and admit that the final OPA bill which we will pass will be a piece of compromise legislation. It is a measure which will be colored in many of its clauses by sectional differences—yes, by sectional trades. I do not approve of that method of passing legislation but that is exactly what is going to happen. But we must not lose sight of a few elementary economic principles in our consideration of this measure.

Let me repeat that should the Senator from Florida [Mr. PEPPER] or any other Senator again offer a substitute which would seek to extend OPA and carry out some of the OPA procedural reform objectives for which I have struggled in my remarks on the floor in the way of improving the administrative procedures of OPA, I would again vote for such a substitute bill. But I am too much of a realist to think for a moment that any such legislation has any chance of passage. Perhaps some Senators may think that there is something to be gained by making a record; but I am not much interested in making a record. I am interested in enacting legislation which will do the country some good. Defeated legislation, no matter how sound, is not going to help check inflation any. Hence I am perfectly willing to face this measure as it has come from the Committee on Banking and Currency in the light of what has happened since the previous bill was considered by this body, and vote for the best compromise we can get through the Senate and at the same time maintain, to the maximum extent possible, the chief objectives of OPA. However, the bill itself is a very weak bill and I doubt if it will be very effective as a price-control bill.

Further I recognize that it is bound to be amended and nothing I can do will stop it. Hence I shall from now on vote for those decontrol amendments which I think can be justified on the facts insofar as supply of the goods involved is in balance with demand. When it can be demonstrated that supply is equal to demand in the case of any product, I am perfectly willing to vote for its decontrol in the bill itself if other factors are not present which will cause an excessive price increase as in the case of oil. I discussed that question at some length the other day, when I pointed out that the original bill which was in the conference report was a bill which, in my judgment, was very discriminatory against the agricultural interests of the country. For example the other day I spoke of the effect of certain OPA rulings and administrative procedures on the dairy indus-

try. I pointed out, and now repeat for the RECORD, that the OPA has followed the principle of national averages when fixing prices of dairy products. It has not taken into account to a sufficient degree the great regional differences in the production of dairy products, with the result that in some sections of the country, including my own, and also in some of the Northeastern States, as well as other sections of the country, the dairy industry has been done a great amount of damage in that large numbers of dairy producers have been forced to produce at a loss.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Oregon yield to the Senator from Colorado?

Mr. MORSE. I yield.

Mr. MILLIKIN. Is it not perfectly evident that no business can be operated on the basis of national averages?

Mr. MORSE. That is the argument which I made the other day, and that is why I favored taking into account regional differences.

Mr. MILLIKIN. That statement applies to any business, agricultural or otherwise.

Mr. MORSE. The Senator is correct.

Mr. MILLIKIN. If the Senator has a little factory in Oregon making fishing poles, ice boxes, or anything else, how can he operate the business on the basis of national averages?

Mr. MORSE. It cannot be done without some producers below the average losing money.

Mr. MILLIKIN. The Senator cannot pay his men with a national average. He cannot stick a national average in the pay envelope, can he? He cannot pay the electric-light people with a national average. He cannot pay the people who deliver coal with a national average, can he? Is there any bill which he can meet by handing someone a national average?

Mr. MORSE. All the Senator from Colorado is saying and I appreciate it—is giving support to a position which I have previously taken. I think it is essential that we take into account regional economic problems, and that is why I think greater power should have been vested in our regional OPA boards in administering OPA policies.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MORSE. I am glad to yield to the Senator from Arkansas.

Mr. FULBRIGHT. I wonder what the Senator thinks about the significance of the tax policy and the labor policy, which should be adjusted to the objectives of the OPA. It was my thought that when we repealed the excess profits tax we very substantially weakened the OPA. That was true also when we abolished the War Labor Board. I am very doubtful that a price control law alone, without any reference to a tax policy, can be very effective, even if we adopt some better plan of administration.

Mr. MORSE. My judgment, for whatever it may be worth, is similar to that of the Senator from Arkansas in regard

to the tax policies of this Government. I think he will recall that at a time when we had some tax issues under discussion in the Senate I took the position that I thought it was a great mistake, with the great surplus purchasing power which we have in this country, to be talking in terms of a reduction in taxes. I did go along with the excess-profits tax reduction, but I am very frank to say that in view of subsequent events, I think my vote was a mistake. I took American industry at its word. By and large, I believe that most American businessmen kept faith with what I understood to be their contentions, but not all of them did.

The argument then—and I think that economically it was a pretty sound argument—was that American business enterprises could not be expected to expand their businesses if between 85 and 95 percent of their of their profit dollar went into the United States Treasury. They argued logically that if what we wanted to do was to make certain that we were going to write a national economic insurance policy of full employment, we ought to see to it that more of the profit dollar went into the expansion of industry rather than into the United States Treasury. So at that time, as the CONGRESSIONAL RECORD will show, I made the argument that I would go along with the excess profits tax reduction on the basis of industry's contention, which I thought was well taken, that more of the profit money ought to go into an expanding reconverting American industry. I think events have shown that in too many instances the savings in excess-profits taxes were not used for that purpose. That is one reason why I was such an ardent advocate of the Kilgore-Morse resolution in the Committee on Education and Labor, calling for an investigation of union and employer practices and policies, which have given rise to a considerable amount of labor unrest in this country since VJ-day. I believe that if and when that investigation is made we shall find that one of the things that will be brought to our attention will be the tremendous misuse of the savings which accrued to American industry as a result of the elimination of the excess profits tax. I submit to the Senator from Arkansas that we shall find too many instances in which such savings were used for promoting industrial strife. Too many of them were used to discredit American labor in an antilabor drive. But that raises another question which I do not care to go into now. I only wish to say that I believe that our elimination of the excess-profits tax would have been sound if all segments of American industry had kept faith with the United States Senate and the House of Representatives.

But as to the other facet of the tax program—and I have heard the Senator from Arkansas speak on it before—if I correctly understand him, I agree. I believe that in these times we ought to have the political courage to say to the American people, "We cannot reduce taxes and protect the stability of the American dollar." A large reduction in United States taxes at this time will deflate the American dollar. By trying to

bribe the American taxpayers to give their political support on the basis of a political platform for reduced taxes, we would take more out of their pockets than than we would if we assessed them decent and fair taxes on the basis of their ability to pay.

Mr. President, in the campaigns of 1946 and 1948, I think it should be the position of the liberals of this country, and I hope they have the courage to stand on the facts insofar as taxes are concerned, to tell the American people, "We are not going to buy your votes by urging lower taxes. We are going to protect your long-time economic interests by urging the Congress to enact fair and reasonable taxes on the basis of ability to pay, so as to protect the value of the dollar."

Mr. President, I think the Senator from Arkansas, if I have correctly understood his remarks on this point, shares my position in regard to the major premise that if we are to reduce the tremendous national debt by paying fairly high taxes now, instead of passing the buck to our children and grandchildren, we must not reduce taxes at this time.

Mr. FULBRIGHT. Mr. President, not only do I agree with the Senator in his remarks about the long-term effect of such action, but it seems to me it would have a substantial and immediate effect upon inflation.

Mr. MORSE. There can be no doubt about it.

Mr. FULBRIGHT. In other words, I think it has these other subsidiary effects, but it also is one of the most powerful weapons against inflation, to combat which the OPA is designed. I have been convinced for some months that the OPA program must be coordinated with the labor and tax policies, particularly the tax policies, because they constitute one of the best weapons against inflation.

Mr. MORSE. I absolutely agree with the position of the Senator from Arkansas.

Mr. FULBRIGHT. It seems to me that if we are serious about trying to control prices now, we must use all three of these weapons. It seems to me that even a bill like the substitute which the Senator said he favored would not be very effective by itself. If we are serious about the matter, I think we should impose something like the excess profits tax and should constitute a labor board to deal with the situation. Then we would have a program which would be effective.

Mr. MORSE. Mr. President, I believe that this legislation alone will not do the job. I believe we should have an adequate tax program, going along with it. Further as the Senator from Arkansas knows, I have said on the floor of the Senate and I think it was a great mistake to abolish the War Labor Board as quickly as the President abolished it. As Senators also know, I still feel that the greatest inflationary cause since VJ-day was a certain speech made in October 1945, by the President. That speech has been referred to as the wage and price speech. It was interpreted by labor as a "Come and get it, boys" speech. That has been its effect. Its effect has been

highly inflationary. I say that when this economic smoke screen clears away, we shall find that the increases in real wages—which, after all, are the only increases that really result in an increase in the standard of living of workers—are not going to be nearly as much as some persons thought they would be when they accepted the President's invitation to "Come and get it."

Mr. President, in connection with our consideration of OPA legislation and decontrols, I think we should consider the matter of an equilibrium between supply and demand in regard to any product. The problem is not one of making a simple choice between black or white. There are many shades to the question of determining whether supply equals demand. I do not intend to fool myself as to the difference between the position taken for the record by governmental officials interested in price control and the position they take, off the record, when they talk privately. I simply wish the RECORD to show that it is my understanding, unless they do not mean to speak the truth when they talk to me off the record, that high Government officials are aware of the fact that there are a considerable number of commodities which could be decontrolled at the present time because the supply equals the demand. But they are afraid the public favors such decontrols. They have been very frank about the matter, and up to this point I think the fight which they have made was one which should have been made. Up to the time when the conference committee came out with the report—against which I voted, and it subsequently was vetoed by the President—up to that point the strategy of opposing placing any decontrols in the bill was sound, I think. The strategy was, Do not let any breaks in price control occur. Keep the administrative power to decontrol in the hands of the Administrator. Do not put it in the bill itself. I so voted. But we lost that fight.

It seems to me that now we have to exercise an honest judgment in the case of specific products in which the supply does equal the demand and which fact is admitted, off the record, by people who are working in the field of price control. Because of a long-standing engagement, I did not happen to be in the Senate yesterday, but I understand from what I read in the RECORD, that it was tacitly admitted yesterday that in the case of meat, the supply does equal the demand. In fact if the existing supply of meat starts to move into the market it will be in excess of the demand. The statistics are perfectly clear that never before in the history of this country have we had so much livestock on the hoof as we have today.

Mr. LANGER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Oregon yield to the Senator from North Dakota?

Mr. MORSE. I am glad to yield.

Mr. LANGER. If the Senator from Oregon had been present yesterday, would he have supported that amendment?

Mr. MORSE. The RECORD shows that if I had been here I would have supported

the amendment. Had I been present yesterday, I would have voted for the amendment, and that fact is so recorded in the CONGRESSIONAL RECORD.

Mr. President, in my part of the country the ranges are overrun with cattle. We have thousands of head of cattle that should have been butchered 18 months or 24 months ago. We have had millions of pounds of meat that actually have been wasted because of the effect of having it remain on the hoof until prime beef grew into old beef.

I do not think any one in the Department of Agriculture or in the OPA will deny that the truth is that because of regional differences, many farmers have found it necessary to hold meat on the range until they could get a better and fairer price for it. Much of it which has been sold has gone into the black market. I think there is going to be some increase in the price of meat for a month or two, until the livestock really starts flowing into the market. But those who own the livestock cannot hold it off the market indefinitely. I think we are going to discover that the supply of meat is going to outrun the demand once the decontrol starts to operate. The question can be put, "What about the foreign market?" We may have an oversupply of meat as to the domestic market, but what about the foreign market? Well, Mr. President, at least up until this date the UNRRA and other shippers of meat into the foreign market have not been able to ship the meat in such quantities as a good many of the producers feel it should be shipped. I have talked to officials of UNRRA. They say that one of the problems has been, of course, the lack of shipping facilities of the cold-storage type and the lack of cold-storage equipment in Europe to which the meat would be shipped. To my great surprise they also said that there was a taste factor; that as far as food was concerned, there was a much greater demand for grain than for meat because the people prefer the grain to meat. If I understand them correctly, UNRRA would much prefer to have the meat consumed in this country and the grain shipped to Europe. There is much more food value in grain than in meat, pound for pound.

Mr. President, I believe that there is need for controls over those commodities of which there is a shortage. I shall support OPA controls over such commodities. I shall vote for giving wide discretion to OPA in determining those commodities of which there is a shortage. But when it can be demonstrated on the floor of the Senate, as it has been demonstrated in the case of meat and poultry, that there is an oversupply, I shall now vote for such decontrols. I shall so vote in order to help produce compromises that are fair and reasonable and can be justified on their economic facts. Although I prefer an OPA bill of the Pepper substitute type, I do not intend to sit here and do nothing about working out a compromise OPA bill, especially when I know that the fight has been lost for the type of OPA bill I would like to see pass the Senate.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HAWKES. I have a high regard for the Senator's reasoning, and ordinarily I agree with many statements which he makes. The Senator just made a statement to the effect that he would not be in favor of making any change with reference to commodities that are short on the market. How would he make those commodities reach the point where they are not in short supply? In other words, is not stimulation through increased prices, or some other incentive of that nature, vital and necessary in order to bring supply into balance with demand?

The Senator has not said definitely that he does not believe in that principle, but inferentially I gained the impression that the Senator would not be in favor of decontrolling or stimulating the price in order to bring about a production of the particular commodity involved. I cannot go along with that reasoning. If there is a shortage in supply of a commodity and it is desired to bring it into production, I think provision should be made to force the Administrator of the OPA to assure the necessary incentive in order to bring about production.

Mr. MORSE. Mr. President, I am not sure that the Senator from New Jersey was present when I began my remarks.

Mr. HAWKES. I was not.

Mr. MORSE. I will repeat a statement or two which I made at the beginning.

I think it is necessary to draw a line of distinction between a reasonable profit and an excessive profit resulting from a shortage of goods.

Mr. HAWKES. Mr. President, I may say that I agree 100 percent with the Senator's statement.

Mr. MORSE. Because of that belief, I have favored a greater regionalization plan to be followed by OPA in order to take into account the regional factors which are involved, instead of applying, as the OPA has done so much, the so-called national-average test. That formula has worked to the great disadvantage of many producers and manufacturers, and it has been conducive to an inhibition of production. If manufacturers cannot produce goods at a reasonable profit, as the Senator from New Jersey has implied, production will not go forward.

Mr. HAWKES. In other words, if we do not stimulate production by proper and fair incentive—then we will get farther and farther away from the balancing of production with demand.

Mr. MORSE. Yes.

Mr. HAWKES. I thank the Senator.

Mr. MORSE. The point I now make is that where we have a shortage of supply and an excess of purchasing power, the danger is that the producer of the goods in shortage will take advantage of the market. That is where I think the OPA controls were and are needed.

Mr. President, why is it that there is very little difference of opinion on the floor of the Senate with reference to rent control? It is because there is a great shortage of housing, and a tremendous opportunity for landlords, if there are no controls whatever, to take advantage of the American public. But there again, there has been a need for a

long time past for reasonable adjustments of rents in order to take care of those cases in which the landlord, because of an increase in the cost of material and labor and services, is suffering from unfair discrimination. I know of many cases in which a 10-percent increase in rents would not be exorbitant. There are other cases in which any increase in rent would be unjustified. There again, I believe that what should be determined are the facts which can be demonstrated before men who will exercise reasonable, fair, and honest discretion and judgment.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LUCAS. I have been wondering why it is that so many Senators favor decontrolling almost everything with the possible exception of rents. What is there about the rent situation that makes it different from many other situations? If the Senator can explain it to me it might help me in making up my mind about some of these matters.

Mr. MORSE. In the first place, the Senator from Oregon does not agree that there should be a decontrol of everything except rents. He is trying to point out a principle which he believes should at least govern his judgment as to what should be decontrolled, and he just finished saying that he felt that those cases in which facts could be demonstrated that a shortage of supply exists, the public should be protected by controls of some kind.

With reference to the subject of rents, if the Senator from Illinois will reflect for a moment on the history of rent-control movements in this country, going back to World War I and finally culminating in the United States Supreme Court decision declaring the constitutionality of the District of Columbia rent-control law, he will see that the reasons which dictated the enactment of that law were that in the field of rentals it was found that property owners were perhaps more excessive in their tendency to take advantage of their tenants than were most other classes of producers, manufacturers, or property owners. In other words, it was found in the history of rent control of this country that if the poor tenant is not protected from landlords they will, as a group, charge exorbitant rents. That is the history of the rent-control problem in this country, and I cannot deny historical facts.

Mr. LUCAS. Mr. President, will the Senator yield further to me?

Mr. MORSE. I yield.

Mr. LUCAS. The only reason I made the observation which I made, is that the Senator said that undoubtedly in certain cases there were landlords who were entitled to receive at least a 10-percent increase in rents. Certainly, if we take the controls off almost everything, as apparently many Senators believe we should do, there is a very serious question in my mind whether we can leave the landlord out on a limb and pass a bill that will take care of everybody else.

Mr. MORSE. I agree with the Senator's major premise, namely, that justice should be done the landlord. We have no right to enact legislation which

would discriminate unfairly against the landlord. But I believe we should see to it that the American renter is not left at the mercy of the landlord, and that whatever legislation is enacted upon the subject should provide for sufficient controls so that the landlord will not be allowed to gouge the American renter.

Mr. LUCAS. I agree with the Senator. What applies to the tenant about whom the Senator is talking applies to many other persons who are consumers and who would be directly affected by the kind of price control bill we are asked to pass. Unless the Congress of the United States finally determines that it does not want controls on anything at all, and that is exactly what we are leading to as a result of the votes which have been recorded—it seems to me that we should give pretty serious consideration to the likelihood of tying up one group of persons and letting all other groups go the way they please.

Mr. MORSE. I believe the Senator from Illinois is correct in his major premise.

Mr. HAWKES. Mr. President, will the Senator yield so that I may make a statement to the distinguished Senator from Illinois?

Mr. MORSE. I yield.

Mr. HAWKES. I agree most heartily with what the Senator from Illinois has said. I feel very strongly that even though we keep controls on what we may determine to be the vital things, still the owner of property, the builder of homes for rent, is entitled to some consideration at the present time. I have an amendment on the desk at the moment which I intend to bring up tomorrow, and which I believe every Senator will agree with me is of vital importance.

If the Senator from Oregon will indulge me a moment further, I wish to leave another thought with Senators, and I want all those who are now in the Chamber to think this over. Going into the building of homes or apartments to rent is a choice of occupations on the part of an American citizen, and it is open to everyone. Some may choose to go into business, as I did; some may choose to go into the building of homes to rent, and I want Senators to ask themselves this question: If they had chosen to go into the building of homes and apartments for rent, and any of them had died a year or so ago and this country had done what it has done with the property owners, in giving them hardly any consideration of any kind, in view of the increased cost of maintenance and increased wages of the help, a factor that is necessary in connection with buildings for rent, if they could come back to life, would they say they felt that their widows and their orphans and others dependent on them had received a fair deal from what they had accumulated in life? Those who go into the business of building apartment houses for rent are just as much entitled to a proper reward as those in any other business, whether it be an insurance company, or anything else.

Mr. LUCAS. Mr. President, will the Senator from Oregon yield to me for one remark?

Mr. MORSE. I yield.

Mr. LUCAS. I do not wish to be misunderstood in the argument I am making before the Senate today. I am against all amendments in connection with OPA legislation which have been before the Senate, and shall so vote.

The removal of controls from everything is practically what we are leading to, and what a great number of Members of Congress seem to think is the one thing which will bring back prosperity to this country, who seem to believe that if we can just get out from under controls once, everything will be all right. Congress should seriously consider what everyone seems to be thinking of, that is, legislation of some kind which will take care of the landlord and leave the controls over rent.

I probably have received as many letters from people who are tenants, as a result of having no control laws at all, as from any other class of citizens, and they are complaining bitterly because of the eviction notices and the like. But at the same time, if we are to take the controls off everything, then as the spiral of inflation takes its whirl, as in my judgment it will in the next 60 to 90 days, and a serious spiral, it seems to me a little bit harsh to leave the landlord down on the bottom rung, with no relief of any kind whatever.

Mr. McMAHON. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. McMAHON. I am very much pleased to hear the Senator from Illinois say what he has just stated, because when the bill was before us I made the very point the Senator from Illinois advances, and the senior Senator from Ohio, I think the RECORD will show, stated that we could have rent control and nothing else, and he asserted it with his usual authority and with his usual force, which, as Senators know, is very considerable.

I should like to put the Senator from Illinois in charge of the management of properties of friends of mine, if he thinks he could make them pay, if the only kind of control we are going to have is rent control. I do not think one has to be an advanced student of economics to know we cannot take controls off everything else and have them on rents only.

It is urged by those who want to do away with all other controls that we should have controls on rents because, as I have observed before, they do not dare try to take controls off because they know they could not get away with it.

Mr. MORSE. Mr. President, I wish to associate myself with the remarks just made by the Senator from Connecticut as to the importance of a fair adjustment on rents if controls are taken off everything else.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MYERS. I might point out an instance of what just happened where rent controls have been permitted, and I call this to the attention of the Senator from New Jersey.

I know of properties in Ocean City which increased from \$250 a summer season in 1944 to \$1,200 a summer season in 1946. I know of properties in Atlantic

City, where no rent ceilings are imposed on summer rentals, which have gone up three or four or five hundred percent.

I am sure the Senator from Oregon will agree the very same thing would happen in every residential community in America unless we maintained our present rent ceilings.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, I wish to say for the benefit of the majority leader that I rose to make a very short speech, and it is only because of my willingness to yield that the speech is longer than I had originally indicated. I am very happy to yield to the Senator from New Jersey.

Mr. HAWKES. I shall not detain the Senate very long. I wish to ask the Senator from Pennsylvania if he was talking about resort property which is in the class of luxury property, or is he talking about homes in which people live the year around?

Mr. MYERS. Of course they are summer properties. But I do not call property that rents for \$250 a summer season, to which a citizen making probably \$60 or \$70 a week takes his family and his children for the summer, a luxury property. A neighbor of mine paid \$250 during the summer season in 1944 in Ocean City, and he was charged \$500 last year, and was asked \$1,200 this year. There is a short supply, there is a tremendous demand, there is money around. People want to take their families away for summer vacations, and I say exactly the same thing would happen throughout New Jersey and throughout Pennsylvania in all residential areas where there is a short supply and a tremendous demand for property.

Mr. HAWKES. The difference between the Senator from Pennsylvania and myself in regard to that subject is that I do not believe such gigantic increases will happen in any year-round residential area. It could not possibly happen in any residential area with which I am familiar. There is only one place where it could happen, and that is at the seashore. The \$250 a month which was paid for the place mentioned was probably about one-third of what it should have been in the beginning, because I know the Jersey coast very well, and I know, and the Senator knows, that people were giving houses away down there. I am not talking about renting them; they were just giving them away, because they could not get any sustaining rental for a number of years.

Mr. MYERS. No one gave me one in 1944, and I had to pay a fair rental in that year.

Mr. HAWKES. I am not talking about 1944.

Mr. MYERS. I am talking about the increase from 1944 to 1946. I am not going back to depression days. I am saying that there has been an increase from 1944 to 1946, in many instances, of several hundred percent, and the newspapers show now that many landlords are all ready, with the end of rent control as of July 1, to increase rents.

A young friend of mine who wants to get married, and who has been looking for an apartment, but has not found one,

on Monday, the day after price control ended, received several telephone calls and was offered an apartment for \$90 a month. The same thing is happening elsewhere, and I think that so far as residential properties are concerned, it is self-evident that everybody is looking for property. The Senator knows that is true as to the purchase of residential property. I had an experience I might mention. I rented a house which was subsequently sold by the owner, and I had to go out and buy a home, and I had to pay twice as much as the property was worth because of the demand.

Mr. HAWKES. The Senator from Pennsylvania realizes that we have to go through a period where there will be some injustices, in order to get back to the American way of life, does he not? There is nothing in the world that can take us back from where we have gone in this war to normal pursuits without some injustices.

Mr. MYERS. I am not talking about injustices. I am talking about inflation. I do not think inflation is the normal way of life.

Mr. HAWKES. I call it an injustice when anyone raises rent 400 percent.

Mr. MORSE. Mr. President, in order that there may be continuity in my closing remarks I shall decline to yield further until I complete them which will take only 2 or 3 minutes I am sure.

I was saying that as I try to figure out what amendments we should agree to as the result of the piece of compromise legislation which we are now passing, and which I think the parliamentary situation in the Senate requires us to pass—I have been trying to confine myself to what I consider to be some sound guiding principles.

I had pointed out that in those instances in which it could be shown to be factually true that supply is in equilibrium with demand I am perfectly willing to go along and vote for decontrol amendments in most instances. I shall so vote particularly when Government officials tell me off the record that if it were not for the fact that such decontrols might be looked upon as precedents for decontrol of commodities which are short in supply, they themselves would not have any objection to such decontrols. Thus some of them have told me that if the legislation should pass without decontrols in the bill itself they would be inclined themselves at a very early date to recommend decontrol of commodities which are balanced with demand. I understand that that has been the sentiment of some Government officials in regard to meat and dairy products, for example.

Then I was pointing out that I thought that controls should be maintained on those products of which it can be demonstrated factually that there is a shortage of supply because in those instances the danger of inflation as to those articles is a very serious one, as I think the statistics will already show since June 28, 1946.

Then I was about to point out that I felt that in those instances in which it can be shown that the industry or the products are still greatly under monopolistic influences, that if we are going to protect the American people from infla-

tion as to those goods we must exercise some controls.

Then lastly I think we ought to recognize that there are some goods in which the producer thereof is not going to benefit, certainly immediately, from any decontrol. There are some goods which may enjoy an increase in prices resulting from decontrol but the real beneficiary is going to be the speculator. I think that is particularly true in the grain market. I think that the decontrols of grain are not going to affect particularly the farmer producer, but I think they are going to bring a bonanza to the grain speculator.

I want to submit statistics that were handed to me today, put out by OPA, and dated July 10. I believe they are factually correct, as to the percentage increase in five grains, comparing the period from May 17, 1943, to June 28, 1946, with the period from June 28, 1946, to July 9, 1946. These figures show that the increase in the short period of time since OPA controls have been off has been 18.2 percent in five grains.

I also see from this report that as to wheat, Kansas City No. 2, as of June 28, 1946, the price was \$1.87 compared with the price of \$2.11 on July 9, 1946, or an increase of 12.8 percent.

In Minneapolis, on the same quality wheat, the price was \$1.88 on June 28, compared with \$2.03 on July 9, or an increase of 7.7 percent.

On flaxseed, Minneapolis, the price was \$3.35 on June 28, 1946, as compared with \$3.75 on July 9, 1946, or an increase of 11.9 percent.

Corn, Chicago, the price was \$1.44 as of June 28, 1946, compared with \$2.15 on July 9, 1946, or an increase of 48.8 percent.

I present another set of figures that I think interesting, Mr. President. The price of wheat on June 28, 1946, was \$1.97 compared with the price on July 9, 1946, of \$2.13 $\frac{3}{4}$ or an 8.5 percent increase.

Corn, \$1.44 on June 28, 1946, compared with \$2.15 $\frac{1}{2}$ on July 9, 1946, or an increase of 49.7 percent.

The price of oats at Chicago was 86 cents on June 28, 1946, compared with 94 cents on July 9, 1946, an increase of 9.3 percent.

The price of barley on June 28, 1946, was \$1.60 as compared with \$1.69 on July 9, 1946, or an increase of 5.6 percent.

Mr. LANGER. Mr. President, will the Senator give us the price of oats again?

Mr. MORSE. The figures were 86 cents as compared with 94 cents.

With respect to rye, the only figure given on the report is \$1.46 on June 28, 1946, with no figures for July 9.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. AIKEN. I want to say that while our feed mixers on the first day of July, paid 80 cents a bushel more for corn than they were paying on the last day of June, they bought oats on that day for 2 cents less than the ceiling price. That is the first time that oats has been down below the ceiling price, which indicates clearly that oats had been hoarded, and that more had been kept back than had been realized. In all fairness OPA should submit the fact that oats had dropped

below the ceiling price for the first time on July 1.

Mr. MORSE. I am submitting the figures as they were compiled by OPA and handed to me. I think that the farmer is not going to receive much benefit from grain prices—certainly of grain now held by the speculators. I think that a good deal of the benefit is going to the grain speculator and middlemen who now own even much of the yet to be harvested 1946 crops.

So I say in closing that I think that before we sit here and continue to decontrol a large list of items, we ought to be able to answer this specific question: Do we know as a fact that the supply of these goods or of this product is in equilibrium with the demand? I think we ought to also be able to answer the question whether or not the decontrol, even though there may be an equality of supply and demand, will result in benefits, not to the producers thereof, not to the primary manufacturers thereof, but to the beneficiaries of a monopoly or to speculators, or to people who have control of the market far removed from the original producers thereof. Unless the producers are going to benefit we are going to find that those who control the supply will use that supply for inflationary benefits to themselves. Supply can be in balance with demand, but at the same time a large part of that supply can be under control of forces that may be able to use the supply still to hold it off the market and force up profits to an inflationary level.

In closing, Mr. President, I want to reiterate what I said at the beginning, that although I was perfectly willing, and still am, to go along with the continuation of an over-all price-control bill, that once we start to compromise this legislation—and I am enough of a realist I think to know that that is what is going to happen—and if that is the reality of the situation, then I think as a Member of this body I should not sit here and simply vote against every amendment irrespective of the economic facts behind the amendment. I ought to sit here and try to apply at least the economic principles that I have enumerated in these brief remarks.

Mr. YOUNG. Mr. President—

The PRESIDING OFFICER (Mr. PEPPER in the chair). Does the Senator from Oregon yield to the Senator from North Dakota?

Mr. MORSE. I yield.

Mr. YOUNG. I think the Senator from Oregon is a little wrong in assuming that the grain gambler will have the advantage with respect to farm products now. I know of no time of the year when the farmer can take better advantage of the fact that there is decontrol, than right now. The grain is beginning to come in from the Southwest and the Middle States, and soon will come in from the Northern States. This is the opportune time to decontrol. At no other time of the year could a farmer take better advantage of rising prices, and I think we will find that in a short time most grains will be down below parity.

Mr. MORSE. I hope the Senator from North Dakota is right. I do not

share his views. In view of the domestic demand for grain and the demand for grain in the foreign market it would be a mistake, I believe, at this time, to decontrol, because I do not think it can be said that there is an equality of supply and demand as far as the world grain market is concerned.

Mr. YOUNG. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. YOUNG. It is generally assumed by many that dairymen are making a great deal of money now.

Mr. MORSE. That is a false assumption.

Mr. YOUNG. If we go back 5 years we will find that dairymen had laborers who worked 10, 12, or 14 hours a day. The average laborer on a dairy farm or on any other farm has become modernized now, as the city workers are. He is getting to the point where he will not work Sundays any more. He will not work over 8 hours a day. If that trend increases to the point where all farm labor works but 8 hours a day, consumers will not be able to buy butter at 50 to 70 cents a pound; butter then will sell for \$1.50 a pound. The consumers of the United States have been able to buy butter and other farm products at low prices largely because the farmers themselves and their wives and members of their family have worked 12 and 14 hours a day. We have passed that time in this Nation, however.

Mr. MORSE. On that point I will say to the Senator that I do not find myself in agreement with the views of those who have said that the dairy farmers have been making a great deal of money. I think that any fair analysis of the economic problems of the American dairy farmer will show that whole segments of the dairy industry have either been just breaking even or have been losing money. That is the reason why in many sections of our country the dairy herds have been liquidated, because the farmers cannot meet the increased cost of production to which the Senator from North Dakota refers, and still meet the OPA standard of a national average so far as the fixing of dairy prices is concerned.

Mr. YOUNG. It is not only the cost of labor that is involved, but the type of work chosen by the average young person is also involved. The average young person today will work on a grain farm or some other kind of farm, but there are few young men today who want to go to work on a dairy farm, where they are faced with working in the early morning hours and working late at night.

Mr. MORSE. Which is another way of saying that the dairy farmer's costs of production have gone up, because in order to obtain labor he has to pay better wages which certainly are deserved by the dairy worker; he must invest in expensive farm machinery for the manufacture of his product—and the dairy farmer manufacturers the milk after he gets it away from the cow, because of the various processes through which it has to go. The farmer's costs of producing milk have increased a great deal. Of course the regulations with respect to the production of milk are much to be desired from the standpoint of protecting the health of our people, whether it

is the pasteurizing process, or the cooling tank, or what not. But the point I make is that the dairy farmer has to meet an increased cost of production which would require an increased price of his product with or without OPA unless we want to put him out of business or into the black market.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. SMITH. The Senator from Oregon, to my mind, has made a very interesting and important analysis and approach to many of the principles involved in the subject of the measure before us. I share in his views, as my votes have indicated in respect to certain cases where it was clearly indicated that supply was on equality with demand, as in the case of meat and dairy products. I should like to ask the Senator this question, following up the logic of his position: In the event the situation should reverse itself after we had decontrolled, would the Senator favor going back to some system of recontrol, or does he believe that, once we have decontrolled, nature should take its course?

Mr. MORSE. I most certainly would favor going back to controls if the result were to produce inflation in these products as well as in other products. If those in control of the supply or these products, which I think are now ready for decontrol, should take advantage of the American people I certainly feel that it would be our obligation to return such products to control.

Mr. SMITH. I share the Senator's view, and that is the reason I raised the question. But I am asking him now whether, in the light of his proposed formula, he thinks Congress should stay in continuous session and watch each of these products, placing them back under controls when necessary, or whether we must give certain discretion to someone to determine those questions.

Mr. MORSE. I was about to make another comment, and I shall do so in closing. I certainly feel that a considerable amount of discretion must be given to those that are to be given the job of administering the bill. I think we should see to it that we are as specific as we can possibly be as to the standards to be applied by those who are to exercise decontrol powers. So far as Congress remaining in session is concerned, I will say to the distinguished Senator from New Jersey that when we think of the unfinished business of the Congress of the United States, I do not see how we can justify taking any recess until that business is transacted. I think we ought to stay here until probably the first of October or the first of November, to get our calendar behind us instead of leaving so much unfinished business behind us. I am ready to stay on the job until the job is done.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the daily indexes of commodity prices in primary—prewholesale—markets. The prices are as of July 9, 1946.

Mr. AIKEN. I did not know that the OPA was now issuing statistics.

Mr. MORSE. I understand that they are conducting a wake.

There being no objection, the table

was ordered to be printed in the RECORD, as follows:

OPA daily price summary—Prices of July 9—Daily indexes of commodity prices in primary (prewholesale) markets—Movements under "Hold the line" and since June 28, 1946

	Percent increase	
	May 17, 1943, to June 28, 1946	June 28 to July 9, 1946
Bureau of Labor Statistics:		
General index (28 basic commodities) ¹	13.1	14.3
12 foodstuffs ²	14.6	23.3
16 raw industrial commodities.....	11.9	8.0
New York Journal of Commerce:		
Daily index (30 sensitive commodity prices).....	15.8	12.3
5 grains.....	39.3	18.2
10 foods.....	1.6	22.3
5 textiles.....	18.3	2.4
5 metals.....	16.2	4.4
5 miscellaneous.....	2.0	11.1

¹ Most of the 28 commodities (see list on p. 2) used in the daily index are basic raw materials and many of them are quoted on organized exchanges or "futures" markets. The daily index is, therefore, much more sensitive to changes in market conditions than is the Bureau's regular index because the latter includes a large proportion of fabricated and semifabricated goods whose prices usually fluctuate less frequently and within narrower margins. Of the 28 items included in the daily index, 18 were selected because of their importance in world trade; 11 of these 18 are imported in large quantities.

² This group corresponds roughly to the 15 grains and foods reported by the Journal of Commerce in two separate groups.

Daily index numbers, spot market prices,¹ and percent change for 28 basic commodities

INDEX NUMBERS	Percent change, June 28 to July 9, 1946		
	June 28, 1946	July 9, 1946	Percent change
General index.....			14.3
12 foodstuffs.....			23.3
16 raw industrial.....			8.0
11 imported.....			15.4
17 domestic.....			13.6
PRICES			
Wheat:			
Kansas City, No. 2 h. w.....bu.	\$1.871	\$2.110	12.8
Minneapolis, No. 2 d. n. s.....bu.	1.885	2.030	7.7
Flaxseed, Minneapolis.....bu.	3.350	3.750	11.9
Barley, Minneapolis.....bu.	1.440	1.580	9.7
Corn, Chicago.....bu.	1.448	2.155	48.8
Butter, Chicago ⁴.....lb.	.560	.719	28.4
Tallow, Chicago ⁴.....lb.	.086	.115	33.7
Hogs, Chicago.....100 lbs.	14.850	17.075	15.0
Steers, good, Chicago.....100 lbs.	17.000	18.625	9.6
Lard, Chicago ⁴.....lb.	.140	.180	28.6
Coffee, Santos No. 4, New York.....lb.	.158	.215	36.1
Sugar, New York ⁴.....lb.	.042	.042	0
Cocoa beans, New York.....lb.	.090	.132	46.7
Shellac, New York.....lb.	.365	.700	91.8
Rubber, New York.....lb.	.225	.225	0
Hides, Chicago.....lb.	.155	.155	0
Rosin, Savannah.....100 lbs.	6.760	6.950	2.8
Cottonseed oil, New York ³.....lb.	.143	.178	24.5
Print cloth, New York ⁴.....yd.	.114	.114	0
Silk, New York.....lb.	3.080	3.080	0
Wool tops, New York ³.....lb.	1.330	1.485	11.7
Burlap, New York ⁴.....yd.	.118	.118	0
Steel scrap:			
Chicago.....ton.	18.750	18.750	0
Philadelphia.....ton.	18.750	18.750	0
Tin, New York.....lb.	.520	.520	0
Copper, New York.....lb.	.142	.142	0
Lead, New York.....lb.	.082	.095	15.9
Zinc, New York.....lb.	.087	.099	13.8
Cotton, average 10 spot markets.....lb.	.310	.325	4.8

¹ Spot (cash) prices in primary markets except where otherwise indicated.

² Approximately 75 cents above maximum compliance price.

³ Futures market.

⁴ Wholesale price.

Prices of 30 sensitive commodities and percentage change from June 28, 1946

(New York markets except where noted)

	June 28	July 9	Percent change
Grains (average of range):			
Wheat, Kansas City.....	\$1.97	\$2.13 $\frac{3}{4}$	8.5
Corn, Chicago.....	1.44	2.15 $\frac{1}{2}$	49.7
Oats, Chicago.....	.86	1.04	9.3
Rye.....	1.76		
Barley.....	1.60	1.69	5.6
Food:			
Flour.....	3.75	5.35	42.7
Beef.....	0.208-.218	0.258-.52	24.0
Pork.....	.24 $\frac{1}{4}$ -.25	.27-.43	11.3
Lard, Chicago.....	.1405	.218	28.1
Eggs.....	.33	.34-.36	3.0-9.1
Butter.....	.56 $\frac{3}{4}$	.73	28.6
Cheese.....	.3540	(2)	
Sugar.....	.04205	.04205	0
Coffee.....	.1545	.21 $\frac{1}{2}$	39.2
Cocoa.....	.0899	.13 $\frac{1}{4}$	47.4
Textiles:			
Cotton, Galveston.....	.3090	.3242	4.9
Print cloth.....	.11370	(3)	
Wool.....	1.05	1.05	0
Silk.....	14.00	9.00	-35.7
Burlap.....	.1180	.1180	0
Metals:			
Copper.....	.14 $\frac{3}{8}$	(3)	
Zinc, East St. Louis.....	.08 $\frac{1}{4}$	.09 $\frac{1}{2}$	15.2
Lead.....	.08 $\frac{1}{4}$	.09 $\frac{1}{2}$	15.2
Tin.....	.52	(3)	
Silver, domestic.....	.70 $\frac{5}{8}$	(3)	
Miscellaneous:			
Hides, Chicago.....	.15 $\frac{1}{2}$	(2)	
Rubber.....	.22 $\frac{1}{2}$	.22 $\frac{1}{2}$	0
Linseed oil.....	.15 $\frac{1}{2}$	.177	14.2
Turpentine.....	.94 $\frac{1}{2}$	1.12	18.5
Hogs, Chicago.....	14.75	17.15	16.3

¹ Futures market.² No trading; July 8 price shown.³ No trading.

Note on beef and pork prices.—June 28 ranges reflect varying grades. July 9 ranges reflect lower prices charged by major packers than by others in industry. Percentage increase is calculated only for prices at bottom of range.

Source: New York Journal of Commerce.

NOTE ON SUBSIDIES

Beef and pork: Subsidy payments on meat, eliminated June 30, had the following price equivalents at the wholesale level: Beef, \$4 to \$5 per hundredweight (carcass), depending on grade; pork, \$2.30 per hundredweight (carcass).

The elimination of the subsidy on beef, therefore, calls for a rise of 21 percent at wholesale. To date (July 9) the increase in beef prices has been only slightly more than enough to offset the subsidy loss.

While the price of good steers has risen 9 percent (see p. 2), prices on the prime and choice grades (constituting about a third of all beef) have risen nearly 25 percent. A weighted average of prices paid for all steers would show an increase of about 17 percent. Measured from compliance levels (see note 2 on p. 2), the rise is about 22 percent.

Complete reflection of both this rise in cattle prices and the loss of subsidy payments would bring wholesale beef prices 48 percent above the June 28 level, with a similar rise at retail to follow.

On pork a price rise of 12 percent at wholesale (pork cuts and lard combined) would offset the subsidy loss. Adding full reflection of increased hog prices would bring pork and lard prices 26 percent above June 28 levels.

Dairy products: Subsidy payments on butterfat were the equivalent of 10 cents a pound of butter at wholesale (11 cents at retail).

The other dairy subsidies consisted of dairy production payments (varied between surplus and deficit areas) and a small-scale regional fluid milk payment program (13 urban areas). The price equivalent of the elimination of these payments, taken in combination, ranges from 1.0 to 2.1 cents a quart at wholesale. (In the Washington area, the total is 1.7 cents a quart.)

Mr. SMITH. Of course that raises another question.

I should like to ask one further question. I have been very much interested all through this discussion in the section which appears on page 6 of the joint

resolution, which is subsection (e), beginning in line 12 on page 6, under the heading "Agricultural Commodities." To sum it up, it provides that every 30 days the Secretary of Agriculture shall indicate the agricultural commodities which are in short supply, and unless he so indicates, no maximum price may be fixed. The last sentence in that paragraph reads as follows:

No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than 30 days after the date of the enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

There is the formula. Under the assumption that the figures can be obtained, and that the Secretary of Agriculture can determine the facts and make the certification, the responsibility is on him to say that a certain commodity is in short supply, and that, therefore, for the next 30 days, it should be controlled in some way.

Mr. MORSE. I would have no objection to giving him that discretion if we had been able to pass a much broader control bill than there is any possible chance of our passing. That is why I stated in my remarks that I think it was one thing to sit here and oppose decontrol amendments when the original measure was before us, which I did, as the voting record will show. However, I think now that we have reached the point in the passage of the OPA legislation where we are up against the legislative reality of having to make the best compromise we can to get the best bill we can through the Senate; we should consider the various amendments on the basis of the principles which I have enumerated.

Mr. SMITH. I appreciate the Senator's analysis, and I thank him for his contribution.

LEAVE OF ABSENCE

Mr. MAYBANK. Mr. President, I ask consent of the Senate to be absent for a few days.

The PRESIDING OFFICER. Without objection, consent of the Senate is granted.

RETURN OF GRAND RIVER DAM PROJECT TO THE GRAND RIVER DAM AUTHORITY

Mr. MAYBANK. Mr. President, I now withdraw my amendment to House bill 5508, a measure to authorize the return of the Grand River Dam project to the Grand River Dam Authority. The matter is of interest to the distinguished senior Senator from Oklahoma [Mr. THOMAS].

My reason for making this announcement at this time is that I shall be absent from the Senate for several days, inasmuch as I have received consent to be absent.

I withdraw the amendment because my colleague also has an amendment. I hope it can be worked out with the Senator from Oklahoma, and I hope the bill may be passed. I am sorry that I shall not be here to assist the distinguished Senator from Oklahoma in connection with the passage of his bill and the adoption of some reasonable amendment to it.

Mr. THOMAS of Oklahoma. Mr. President, let me say that the last time the calendar was called, this particular bill was reached. It authorizes the Government to turn back to the State of Oklahoma a dam and a hydroelectric plant which were taken over by the Federal Government when the war started. Now the war is over, and the Government has no particular use for the dam; and it is desired to have the dam returned to the State. When the bill was reached during the call of the calendar, the Senator from South Carolina [Mr. MAYBANK] was not present. However, he had offered an amendment to the bill. The majority leader, knowing that, objected to the consideration of the bill at that time.

Now the Senator from South Carolina has withdrawn his amendment. However, another amendment is pending. I merely state that I hope the bill can be considered at an early date.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Kansas [Mr. REED].

Mr. AIKEN. Mr. President, regardless of how anyone feels about decontrol of the prices of any commodities at this time, I think it is self-evident that there are certain commodities so closely interrelated that if controls are taken from one of them they must be taken from others. Otherwise we shall contribute to a greater economic unbalance.

The commodities which are most closely related are livestock, milk and its products, and grains and other feeds. When we decontrol one of them, it seems to me that it is necessary to decontrol the others if we are to avoid getting into trouble. Meats, poultry, eggs, and milk are produced principally from grain and grass. Therefore what becomes of the grain and how it is utilized determines to what degree each of those commodities shall be produced and placed before the consumers of the country.

The great grain belt of the Nation lies between the Alleghenies and the Rocky Mountains. Of course, some grain is produced on the other side of those great mountain ranges, but for the most part the great grain belt of the country is between those two mountain ranges. This area also produces a large percentage of the butter used in this country, and a very large percentage of all the meats produced.

We grow different kinds of grains. Grains such as wheat, rye, and rice are normally destined for human consumption to a great degree. Other grains, such as corn, oats, sorghum, and barley, are known as feed grains. Corn is by far the most important of our grain crops, and upon the size of the corn crop usually depends whether we have a feed shortage or surplus, or just an adequate supply.

Corn is grown on different types of farms. On approximately 100,000 farms in this country corn is raised and sold as a cash crop. It is not fed to livestock. On other farms corn is raised and fed on the farm, the farmer buying perhaps a little. On perhaps the largest number of farms in the great Corn Belt the crop of corn is sufficient to feed the livestock on the farm and afford a surplus for sale. It is from this type of farm that the feeders of the East and far West obtain most of their supply of grain. Every year millions of tons of surplus grain from farms of the Midwest are sold to the dairymen and poultry raisers of New England, New York, New Jersey, and the area extending through the South and up the Pacific coast into California, Oregon, and Washington. I believe that even some of the feeders in Colorado, Wyoming, and other Mountain States buy some of this grain.

We have already voted to decontrol the prices of livestock and meats. I am still not sure whether it is wholly wise to do so at this time. Nevertheless, I voted for it yesterday. After having voted to decontrol meats, we had to vote to decontrol milk. If we now leave the controls on grain, particularly feed grains we shall create an abnormal competitive situation with respect to grain. The farmer in the West naturally will utilize grain in a manner which will yield the greatest return to him. If there is a ceiling on his grain and there is no ceiling on his hogs, the tendency naturally will be to feed the corn to his hogs. From all the information I have been able to gather, I should say that there is an adequate supply, if not a surplus, of beef cattle, but I think it is equally safe to say that the supply of hogs this fall will be short. The supply of pork will be shorter than it was last

winter or this summer, for the simple reason that there has been a large slaughter of brood sows throughout the Midwest during the early part of the summer. There is also a shortage of sheep and lambs.

Disregarding cattle for the time being, we have voted to remove the ceiling prices on hogs and sheep. If the ceiling on corn, sorghum, oats, and other feed grains is kept down, there is bound to be a tendency on the part of the Midwest farmer to raise more little pigs and lambs and to feed his corn on the farm, where he can get the most for it, rather than send it to other parts of the country which buy their feeds, and receive a lower price. In the event that there is only a fair crop of corn, the natural result will be that there will be a dwindling flow of corn to the millions of dairy farmers and a rapidly increasing flow of dairy cows to the slaughter houses.

We are not now producing quite as much dairy products as we ought to produce to meet the demand; and if we keep controls on grain and take the controls off livestock, we shall simply be contributing to the shortage of milk and dairy products, and to a possible surplus of meat products. In other words, we shall not have a stable situation as between those commodities. It is entirely possible that the inducement of high prices for hogs, with no ceilings on them, may result in so many being raised that there will be an actual surplus of pork a year from now, and a break in the market as a result.

I know from first-hand knowledge what the result will be in the Northeastern section of the United States. We have just gone through what is probably the most severe grain famine and feed famine we have ever known. The result has been that hundreds of poultry growers who have been building up their flocks for a period of years have had to slaughter their flocks. Millions of laying hens have been killed because there was no feed for them. The replacement flocks are much smaller than they should be, considering the demand for their products. But on July 1, when the OPA went out of existence, our feed mixers began to place orders in the Midwest for grain. I do not know where the grain came from. Probably some of it was held by speculators, and probably some of it came from the farms. But in 2 days' time they had bought all they needed to last through the month of July. Millions of bushels of corn came from somewhere.

Mr. REED. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. REED. Is the Senator from Vermont aware of the fact that on the Chicago cash corn market, which is the great corn market of the country, virtually no corn was available for sale or shipment to regions like New England for probably 6 months previous to July 1?

Mr. AIKEN. Yes; for several months.

Mr. REED. Yes; for several months.

Is the Senator from Vermont aware that from July 1, during the first few days of July, after there was a free market, 11,000,000 bushels of corn from various sources arrived at Chicago? That

has had a tendency to make corn available for shipment to areas such as those the Senator from Vermont has described.

Let me say that I think it will take at least 3 months for the feed grain price situation to stabilize. There has been such a desperate shortage of feed grain in areas such as that from which the Senator from Vermont comes, and there has been so little corn or other feed grain moving in the normal channels of grain trade, and there is such a demand for it, that it is my opinion it will take at least 3 months for the feed-grain prices to stabilize. But in that 3-month period feed grain will be available, as the Senator has already described, and it will be available at less than the black-market prices which have been prevailing, but the prices will be above the ceiling price.

Let me suggest—and I am sorry the Senator from Oregon is not present at this time, inasmuch as he was talking about wheat prices at Kansas City—that the ceiling price on No. 1 hard winter wheat at Kansas City was \$1.89. The new crop of Southwest hard winter wheat is now coming in, in volume. The first price or the opening price on the free market was about \$2.07 or up to \$2.10. I would say it was \$2.10. That is 21 cents above the ceiling. That price has slid back, until yesterday, in Kansas City, No. 1 hard winter wheat was selling at \$.201 and \$.202 a bushel.

But, Mr. President, when the Department of Agriculture was charged with the responsibility of getting wheat to ship to Europe for famine relief, through UNRRA, the Secretary of Agriculture, through the Commodity Credit Corporation, tried to buy wheat, mainly in the Southwest. But also he tried to buy considerable wheat in North Dakota, as the Senator from North Dakota knows. The Commodity Credit Corporation offered a premium of 30 cents a bushel for the wheat it wanted. That premium offer expired on May 25.

Now wheat in the open market—the free market which has been established July 1 at Kansas City, which is the greatest winter wheat market—is selling at 19 cents a bushel below the price which the Commodity Credit Corporation paid for the wheat it bought for famine relief purposes and shipped through UNRRA to Europe. In other words, the free market on wheat, with a bountiful crop coming in—and at this time wheat has that advantage over corn, because the new corn crop will not be in until October or November—the free market on wheat is such that there is an ample supply of wheat in the United States for our domestic consumption. The domestic supply is ample, insofar as the winter wheat crop which already has been harvested is concerned. The prospect or estimate in regard to the spring wheat crop is that with it the total crop will run a little over a billion bushels. That is enough for our domestic requirements and for 250,000,000 bushels for export, which is the amount figured by the UNRRA as being necessary. So there is an ample supply of wheat. The most striking thing and the most remarkable thing is that with the establishment of a free market, notwithstanding the demand for wheat, the

price has apparently stabilized itself at 19 cents a bushel below what the Commodity Credit Corporation paid for approximately 25,000,000 or 40,000,000 bushels of wheat necessary to be had in order to round out its shipments to Europe.

The trouble is that some of these facts escape attention, even the attention of Senators who discussed the matter.

I thank the Senator from Vermont for yielding to me.

Mr. WHERRY. Mr. President, will the Senator yield to me for a question?

Mr. AIKEN. I yield to permit the Senator to ask a question, provided I do not thereby lose the floor.

Mr. WHERRY. I should like to ask whether the distinguished Senator from Kansas [Mr. REED], who is an authority on grain, called to the attention of the Senate the yield of wheat—1,000,000,000 bushels—as compared with the yield for other years. I have just returned to the floor, and I suppose the Senator did cover that point thoroughly.

Mr. REED. Mr. President, with the permission of the Senator from Vermont, let me say that if the spring-wheat crop comes up to approximately 225,000,000 bushels, as we all hope it will, inasmuch as the winter-wheat crop has already turned out to be about 800,000,000 bushels, with that amount plus the estimated yield from the Northwest spring-wheat area—I am not sure what that estimate is, but let us assume that it will be 225,000,000 bushels, which will be just a good, average crop for the Northwest—we shall have over a billion bushels of wheat, which will be the third year in succession that the United States has produced more than a billion bushels of wheat.

Mr. WHERRY. I thank the Senator.

Mr. AIKEN. I thank the Senator for the information.

Mr. President, as I was saying, when the 1st of July came, after we had had months of partial feed famine and weeks of much nearer complete feed famine in the Northeast, the feed mixers went into the Chicago market and were able to buy all the feed grain that was necessary. Some of them bought enough for 1 month's supply ahead. Others bought for a longer period of time. In my opinion, what made the grain available at that time was, first, the price. They paid about 80 cents a bushel more than the ceiling price for corn. I do not know what the ceiling price happened to be on that day, but the feed mixers paid from \$2.30 to \$2.35 a bushel. The price has since dropped about 30 cents a bushel, I understand. So there was a price incentive. I do not doubt in the least that the speculators reaped a harvest on the first and second days of July.

The next reason why the grain was made available was that what will eventually amount to millions of hogs and beef cattle started to move to the market on those days. There, again, the price incentive started that movement. Some of them undoubtedly sold for considerably more than they were worth simply because they got to the market early. But all those millions of hogs and cattle had been held back to wait for a price rise, and when they were being

held back they were eating grain which normally would have been sold to dairy and poultry producers.

The third reason why corn appeared about the 1st of July had very little to do with either the price or the beginning of the movement of livestock to the market. That reason was that about on the 1st of July everyone seemed to realize that we might be on our way to the largest grain crop this country had ever known. I have heard people say that we might have a three-and-one-half-billion-bushel corn crop this year. I hope we do, because if we do we shall have an adequate supply with which to meet all our export commitments. We shall not have to use 200,000,000 or 300,000,000 bushels of wheat for cattle and chicken feed, as we have done this year. We know that we are going to have about a billion-bushel wheat crop, and probably a billion-and-a-half-bushel oat crop. I am not sure of the figures, but I think they are approximately correct. If we do we shall have a record grain crop.

The farmers who have been holding back their grain to insure themselves against a poor crop season decided about then and there that it was time to be getting rid of their surplus, or perhaps they would be caught with a surplus which would force the market price away down this fall.

Those three reasons—the price incentive, the sale of the livestock which had been held back and had been eating grain, and the prospects of a bumper grain crop this year—in my opinion were the reasons why grain appeared in adequate quantities or was offered in adequate quantities. Of course, we do not have it yet because of transportation shortages.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HAWKES. Did I correctly understand the Senator to say that a three-and-one-half-billion-bushel crop is predicted?

Mr. AIKEN. I do not think that a prediction has as yet been made.

Mr. REED. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. REED. I suggest to the Senator from Vermont and to the Senator from New Jersey that the estimate at the present time of the corn yield for 1946 is three and one-half billion bushels. Not only will we have the largest corn crop we have ever harvested, but last year there was an enormous amount of noncommercial corn.

Mr. AIKEN. That is correct.

Mr. REED. It was caused by an early frost which caught the corn before it was hardened and dried out so that it could go into commercial channels. It has been estimated that with favorable conditions existing this year we will not only harvest the largest corn crop we have ever harvested, but there will be 800,000,000 more bushels of corn for commercial channels and marketing purposes than there were last year.

Mr. HAWKES. Does it represent the largest crop we have ever had?

Mr. REED. Yes.

Mr. AIKEN. As I understand, the all-grain crop will be the largest this country has ever known.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WHERRY. I ask the distinguished Senator from Kansas if it is not also true that the quality of the wheat this year is running higher than it was last year.

Mr. REED. The Senator from Nebraska is correct. The quality of the winter wheat harvested in the Southwest this year is much higher than has been the quality of winter wheat harvested there before. The five States producing the largest crops are Kansas, Nebraska, Oklahoma, Colorado, and the Panhandle of Texas. Those are the five hard winter-wheat States. The yield in those States will be larger this year than was anticipated 6 weeks ago. The quality is much better. The quality of wheat is above the average.

Mr. WHERRY. I have received several messages from grain operators in western Nebraska stating that the wheat is of great volume, and the quality is high. Much of the crop will test as high as 61, which is above the market requirement of 60. That condition results in an added food value. When we have a crop of wheat of a quality higher than has been attained in years past, which met an average test of 53, it is something to take into consideration.

Mr. REED. The Senator, in referring to a test of 61, was referring to the weight.

Mr. WHERRY. Yes.

Mr. REED. All No. 1 wheat must weigh at least 60 pounds to the bushel. Some wheat is being produced this year which weighs 63 pounds to the bushel. The moisture content may not exceed 13 percent or 16 percent. Some wheat contains a high protein content which makes it of baking quality. The average requirement for No. 1 wheat is 11¼ percent protein. Premiums are paid for wheat with a higher protein content than the average. I have seen wheat sell for a premium of 15 cents a bushel because of the higher protein content.

Mr. AIKEN. Mr. President, I think it is highly advisable for the OPA to continue as it is until it is known what is going to happen. It has been a great problem for most of us to make up our minds in connection with this matter. If I believed that the OPA would continue with a proper application of the terms of the measure as intended by Congress, and with the decontrol provisions in it, I do not believe that I could vote for any amendments whatsoever to it. In fact, I would be willing to let it be enacted in its present form. However, it has become evident during the past 2 weeks that the price-control program has become considerably involved in politics. I think that is putting the situation rather mildly.

Mr. President, I am almost through with my remarks. I wish to give the OPA and Mr. Bowles credit for doing the best they could do. I think Mr. Bowles has been wrong many times, but I think he has been sincerely wrong. I know that some of my colleagues may disagree with me on that point.

In conclusion, Mr. President, I may say that if the present anticipated corn crop materializes there will be an adequate supply of wheat to meet all foreign commitments, and an adequate supply of other grain for feed. As we all know, there is a very large increase in this year's crop over previous years' crops in north Africa. I understand there is almost 90 percent of full production in France. Next spring the crop from the Argentine and Australia will be coming into the market. We have been told that the Argentine has quite a large surplus of grain which it has held back. It is entirely possible that within a year from now we will be dealing in grain surpluses instead of in grain shortages. We do not know what Russia's crop is, but we hope that it will be a good one.

Mr. REED. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. REED. In connection with the world statistics on grain, two countries have always been excluded because of the impossibility of obtaining reliable information from them, although they produce a considerable quantity of wheat. One of them is Russia and the other is China.

Mr. AIKEN. The crop prospects of the world are more encouraging than they have been for a long time. I believe that we must, above all, do everything that we can possibly do in sending all the wheat which is necessary to keep the famine countries from distress.

Mr. President, I wish to say only one thing more concerning the matter of price controls. I have referred to the date on which the control of grain should be removed. We know that the pending measure has in it a decontrol provision which provides that when the supply appears to be adequate, controls shall be removed. If it appears likely that the supply will be adequate, it is also likely that the OPA will hold prices at a low level until the time comes to remove controls. That would be the natural thing to do.

Some time ago the Committee on Agriculture and Forestry held hearings, and representatives of large grain and milling concerns appeared before the committee and testified. A representative of what I believe is the largest milling concern in the country came before the committee and suggested that controls be removed from wheat on October 31. That suggestion did not register very favorably with many members of the committee because, on October 31 that concern's elevators would be full of grain purchased at a low price, and the concern would naturally take advantage of any rise in price which came afterward. So the suggestion which was made some time ago by the Senator from North Dakota [Mr. Young] that we should not hold down the price until the grain has left the farmer's hands and is in the hands of the elevator operators, was given considerable consideration. I expect that operators have made immense profits within the past few days.

Mr. President, to return to what I said at the beginning; it appears to me that while one may question the wisdom of removing any controls whatever at the

present time, after having voted to decontrol livestock, and after having voted to decontrol milk and its products, unless we vote also to decontrol grain we will be upsetting to a very great degree the normal economy of those three products. For that reason I shall vote to decontrol the price of grain. However, 1 month ago it was the last thing that I would have done. But since then grain has come from somewhere onto the market in adequate supply.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The question is on agreeing to the amendment of the Senator from Kansas [Mr. REED].

Mr. BRIDGES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Daniel
Austin	Hawkes	O'Mahoney
Ball	Hill	Pepper
Barkley	Hoey	Radcliffe
Bridges	Huffman	Reed
Briggs	Johnson, Colo.	Revercomb
Brooks	Johnston, S. C.	Robertson
Buck	Kligore	Russell
Byrd	Knowland	Smith
Capehart	La Follette	Stewart
Capper	Langer	Swift
Carville	Lucas	Taft
Chavez	McCarran	Taylor
Cordon	McKellar	Thomas, Okla.
Donnell	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Mead	Wagner
Ferguson	Millicin	Waish
Fulbright	Mitchell	Wherry
George	Moore	White
Gerry	Morse	Wiley
Gossett	Murdock	Willis
Guffey	Murray	Wilson
Gurney	Myers	Young

The PRESIDING OFFICER (Mr. HOEY in the chair). Seventy-two Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Kansas [Mr. REED].

Mr. AIKEN. On that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I wish to say just a word in regard to the amendment. I do not recognize any connection between the decontrol of grains and the decontrol of livestock. If one category of livestock had been decontrolled and others had not, there might be some element of competition between the two for feeds which might cause a diversion of feed from one to another, but since the Senate has seen fit to take all livestock out from under control and put them on the same basis, it seems to me that it does not follow that grain needs to be decontrolled.

Furthermore, it seems to me that from the debate one would gather the impression that grains constitute food for nothing except animals—hogs and cattle. The human element has been completely ignored in determining the situation with reference to grains. There is not a family in the United States on whose table grains do not appear as food. There has been an extraordinary increase in the price of grains in the last 10 or 11 days since controls lapsed.

The hard or winter wheat crop has now been harvested and is on the mar-

ket. Ordinarily the price of wheat during the threshing season declines because the supply is greater. The new wheat comes on to the market, just as the corn does in the fall. The price goes down then because the supply is greater than at other times. But notwithstanding the fact that the winter wheat crop has been threshed or is in the process of being threshed and is on the market, during the last 10 or 11 days wheat has gone up from 1.87 to \$2.05 a bushel in the Kansas market. Corn went from \$1.44 to \$2.14 in 10 days. So, notwithstanding the fact that a large part of the new crop—the entire winter-wheat crop—has come on to the market during this lack of controls, the price has gone up. When we take all grains into consideration, the total increase in the last 10 days has been 18 percent.

Mr. President, that increase is bound to be reflected in the cost of foodstuffs in the United States to all our people. It seems to me that in voting on this amendment there is no automatic, consequential need for the decontrol of grain growing out of the decontrol of all animals that are fed grains. We should consider the human element involved and add that to all other elements that are possible of entering the picture within the next 60 or 90 days. If we keep on increasing the number of decontrols, there will be nothing left except plastics and metals and a few things that do not constitute food or animal life of any kind, and we will have created, I fear, a situation which will rise up to plague us in the months ahead.

Therefore, Mr. President, I cannot support the amendment. While I suppose I would be regarded as an irreconcilable optimist to express the hope that it will be defeated, I shall myself vote against it.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HILL. I have a letter which was written to the President of the United States under date of July 3, 1946, by a Mr. A. C. McCune, president of Potter-McCune Co., institutional supplies, wholesale grocers, coffee roasters, of McKeesport, Pa. I do not know Mr. McCune, but I am sure he is a reliable businessman. He makes this statement in his letter:

On April 20 of this year, we were invoiced with a certain grade of family flour at \$6.94 per barrel; today this same mill asks us \$11.58 per barrel.

In other words, the cost of flour, by reason of the removal of the OPA ceiling, has gone up nearly 100 percent. In the letter Mr. McCune cites other prices. This is his statement respecting asparagus:

We want to state that we have an invoice for the same grade of asparagus that we were asked \$4.50 per dozen for this morning. This asparagus was invoiced to us under date of June 27, 1946, and is from the new pack and the price on this invoice is \$3.54 per dozen illustrating that with OPA off, the packer is asking an advance of 96 cents per dozen.

He cites other things in his letter, and as a businessman he has this to say:

Unless immediate steps are taken to reinstate some kind of control, in my opinion, we are going to see the most erratic market in food products that our country has ever experienced, and I believe that prices will

go very much higher than they did after World War I, as the buying power of the country is very much greater.

In other words, this businessman from McKeesport, Pa., substantiates in his letter every word that the Senator from Kentucky has had to say that with the ceilings off grains, off wheat, off flour, all prices are going to skyrocket. They are going higher and higher and higher. What we are doing is removing one ceiling after another, inviting one skyrocket after another, until finally there will be no OPA, and we shall get into the vicious spiral of prices going up and up, with a greater and greater ruinous effect.

If the Senator will permit me, I should like to place this entire letter in the RECORD.

Mr. BARKLEY. I shall be very glad to have the Senator do so, and I thank him for calling attention to it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

POTTER-MCCUNE Co.,
McKeesport, Pa., July 3, 1946.

President TRUMAN,

The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: At this early date, the morning of July 3, 1946, I thought you would be interested in what effect the elimination of OPA has had on a few prices.

The figures that I shall give you will represent what we paid for the same item either from the 1945 pack or on shipments made from the 1946 pack where the packer had figured his ceiling price on the new pack.

On No. 2½ cans of Royal Anne cherries, we paid from the 1945 pack \$3.45 per dozen; we have a quotation this morning of \$4.95 per dozen. On black sweet cherries No. 2½'s, from the 1945 pack, we paid \$3.76; and this morning, we are asked \$4.95 per dozen. On No. 2 tins of All Green asparagus, we paid last year \$3.44 per dozen; we are asked today \$4.50 per dozen. On No. 2½ tomatoes from the 1945 pack, we paid \$1.32 per dozen; and we are asked this morning \$2 per dozen. In this connection, we want to state that we have an invoice for the same grade of asparagus that we were asked \$4.50 per dozen for this morning. This asparagus was invoiced to us under date of June 27, 1946, and is from the new pack, and the price on this invoice is \$3.54 per dozen illustrating that with OPA off, the packer is asking an advance of 96 cents per dozen.

On April 20 of this year, we were invoiced with a certain grade of family flour at \$6.94 per barrel; today this same mill asked us \$11.58 per barrel.

If anyone thinks that the removal of OPA control is to do other than create a skyrocketing price advance, they are only fooling themselves.

With the enormous buying power of our wage earners today and with the quantity of goods that we are exporting, there are very few items in food in which the supply equals the demand.

Unless, immediate steps are taken to reinstate some kind of control, in my opinion, we are going to see the most erratic market in food products that our country has ever experienced, and I believe that prices will go very much higher than they did after World War I as the buying power of the country is very much greater.

Our own organization has determined a policy whereby we shall not advance a single item that we own unless we have to buy at a higher price than our present basic cost, and we are avoiding buying anything at a price over the price at which our present ceilings have been established.

I would recommend very highly that if and when a new OPA is authorized, that

their action be made retroactive to include July 1, 1946, and that any buyer who purchases between July 1, 1946, and the time OPA is reinstated, if it is, at a price higher than his past ceiling price, that he be compelled to absorb that difference. If distributors hold the line, high price shall only result where the producer or the packer has upped his price to the distributor.

We are all interested in what is for the best interest of our country, and steps must necessarily be taken to prevent the profiteer from taking advantage of the present scarcity of food for personal remuneration.

Very truly yours,

POTTER-MCCUNE Co.,
A. C. McCUNE, President.

Mr. BARKLEY. What the letter recites is confirmation of the fears which I have expressed during the consideration of the pending measure. We are losing sight of the human element involved. As I see it, we are taking risks. That is why I cannot support the pending amendment, and that is why I have opposed the amendments which have been adopted.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MYERS. The adoption of this amendment would take all price controls off bread, would it not?

Mr. BARKLEY. Yes; bread or anything else made of wheat or grain of any kind.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McMAHON. As the Senator knows, I have opposed every amendment aimed at price control. I am very much concerned about this amendment, because to my mind we have mistakenly agreed to decontrol meat and livestock. I am very much concerned about the chicken farmers and dairy farmers in Connecticut. I think we have made a mistake in decontrolling meat and milk. What I am afraid of is that the remarks made by the Senator from Vermont [Mr. Aiken] will prove to be true. The grain farmers between the two mountain ranges will feed the grain to their cattle and their chicken flocks, and we in New England and those in the Pacific Northwest will be unable to get any grain. I wonder if the Senator from Kentucky has any comfort for me in that situation. I should like to support the majority leader. I fear that we may be rapidly writing a bill which the President can do nothing but veto if he adheres to the position which he maintained in his veto message.

Mr. BARKLEY. I appreciate the Senator's expression. Of course, as he knows, and as I know, it is not a question of supporting me. I have advocated what I have tried to advocate here as a matter of principle, and because I think it is a wise policy. I think we are pursuing a shortsighted policy.

Mr. McMAHON. So do I.

Mr. BARKLEY. There is no guarantee that the flush markets, the full stock pens of cattle, some of which may have been held back in anticipation of higher prices, will continue, even without price ceilings. It is perfectly natural that those who have been holding back their cattle and hogs—if they have been holding them back, as manufactured goods

have been held back—should rush them in while the rushing is good. There may be an appearance of oversupply or surplus which may not hold out. Personally I believe that with the crop of wheat which has been harvested and is being marketed, which is the winter wheat, and with the soft wheat which is coming on in the very near future, as well as with the corn which is in supply and will be in supply, there will be ample feed for all the livestock in the United States, including that in New England and on the Pacific coast.

Mr. McMAHON. But unfortunately the corn farmers in the Middle West do not harvest their crop until October or November.

Mr. BARKLEY. That is true.

Mr. McMAHON. So they have plenty of storage space for what they have on hand. What I am fearful of is that they will hold on to it, and that we in New England will get none of it.

Mr. BARKLEY. The acute feed situation in New England was a development of the past 4 or 5 weeks. It has not been a normal situation during the whole year. It may have been contributed to in part by the fact that there was an anticipation that there would be no ceilings, or that prices would go up. Therefore it is perfectly natural for a human being who has something to sell to hold it until he can get the best price he thinks he can get for it. The situation referred to was not a normal situation, and I think it became acute largely because of the temporary condition which is now being relieved, and which will be constantly relieved, I feel, as more grains become available for feed, not only for cattle and hogs, but also for poultry.

Mr. McMAHON. I may say to the Senator that I have decided to vote against the amendment because I am relying on the strong right arm of the Senator from Kentucky in the conference to do away with the meat decontrol amendment, and also the poultry decontrol amendment. Therefore I have decided, after considerable thought, to support the Senator's position so far as this amendment is concerned, and shall so vote. I believe that the seed which has been sown by the other side of the aisle will be harvested in November to their intense disappointment.

Mr. BARKLEY. Mr. President, that is all I have to say on the subject.

Mr. REED. Mr. President, I do not want this question to come to a vote until I have had about 10 minutes to correct the astonishing amount of misinformation which has been uttered on the floor of the Senate in the past few minutes.

To begin with, the majority leader, in reply to the Senator from Pennsylvania [Mr. Myers] stated that this amendment included bread. It does nothing of the kind. Bakers have been bombarding me all day because the amendment does not include bread.

Mr. BARKLEY. Let me read the amendment to the Senator, and ask what it does include. The amendment reads:

(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards

have been established under the United States Grain Standards Act, as amended—

That includes wheat—
and products processed or manufactured in whole or in substantial part therefrom.

If bread is not a product manufactured in whole or in part from wheat, what is it?

Mr. REED. I hesitate to challenge the distinguished majority leader, who is also a lawyer. I am only a farmer.

Mr. BARKLEY. The Senator is a better farmer than I am a lawyer.

Mr. REED. The Senator from Kentucky is not a very good lawyer if he is not a better lawyer than I am a farmer.

Mr. BARKLEY. Inasmuch as we both occupy an equal status in our respective fields, let us proceed. [Laughter.]

Mr. REED. I will say to the Senator again that he is mistaken. I do not know where he gets such an idea. That question has been judicially determined. Bread is not a product of grain. Bread is a product of flour, and flour is a product of grain. It has been judicially held that bread would not come within this amendment. I never intended it to be included, and it is not.

Mr. BARKLEY. What judicial tribunal held that bread made from flour, which is made from wheat, is not a product processed or manufactured in whole or substantial part from grain?

Mr. REED. Bread is not an agricultural product. It has been so held.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. TAFT. Let me suggest that it is impossible to make bread from wheat. Consequently it is not processed from wheat.

Mr. REED. Flour is processed from wheat.

Mr. TAFT. Flour is processed from wheat, but bread is not processed from wheat, and bread cannot be made by processing wheat.

Mr. BARKLEY. The amendment does not state how many processes must be gone through to get from wheat to bread.

Mr. TAFT. It is necessary to go through two distinct processes.

Mr. BARKLEY. Both products are processed from grain.

Mr. REED. The Senator from Kentucky is mistaken.

Mr. BARKLEY. That is the most astonishing splitting of hairs over processing that I have ever heard expounded on the floor of the Senate.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. REED. I should like to finish this particular explanation, and then I shall be glad to yield to the Senator from Pennsylvania.

The Senator from Kentucky is mistaken about this amendment covering bread. It does not cover bread any more than an amendment with relation to hides would cover shoes, for example, which are made from hides. Hides are a product of livestock, but shoes are not a product of livestock. That is the law, and it has been so held. I am astonished at the lack of information on the part of the Senator from Kentucky.

Mr. BARKLEY. My fund of information is not increased by listening to the Senator from Kansas.

Mr. REED. Be that as it may, the Senator from Kansas will call attention to other examples of lack of information.

Mr. HILL. If the price of flour doubles, does that affect the price of bread?

Mr. REED. Mr. President, I have not yielded to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. REED. I will reach the question of flour.

The Senator from Kentucky is mistaken with respect to wheat prices at Kansas City. Kansas City is the great winter-wheat market, and the prices are registered there for the whole Southwest winter-wheat crop.

On June 30 the selling price of No. 1 hard winter wheat in Kansas City was \$1.89½. That includes the mark-ups which are allowed by the OPA for commission men, elevator men, and grain dealers. On July 1 the range of prices for No. 1 wheat was from \$2.05 to \$2.11. On July 2 it was from \$2.06 to \$2.11. On July 5 it dropped back from a maximum of \$2.11 to a maximum of \$2.05. On July 8—that was Monday of this week—No. 1 hard wheat at Kansas City was worth \$2.01 a bushel; and on the 9th, which was yesterday, it was worth \$2.02 a bushel.

It is true that there is an increase over the ceiling price of about 11 cents; but Mr. President, when the Commodity Credit Corporation went out to buy wheat to be turned over to UNRRA for export to Europe, it allowed a premium of 30 cents a bushel on approximately 35,000,000 or 40,000,000 bushels of wheat. The market price at Kansas City yesterday and the day before, registered on a free, open market, was 19 cents a bushel less than the Commodity Credit Corporation paid for wheat of the same quality and of the same general character, for export. So much for that. Of course, there is an increase, but not such an increase as was indicated by the Senator from Kentucky.

At Chicago there has been a very definite increase over the ceiling prices in the case of corn. But, Mr. President, it is a matter of common knowledge to everyone familiar with the grain trade and the movement of grain that there has been no corn moving on those ceiling prices. I do not need to rely wholly upon my own personal statement. There are 5 Senators present who were members of a group of either 9 or 11 who went to the Department of Agriculture in the latter part of April and there had a conference with the Secretary of Agriculture. He told us frankly and candidly that he was going into the market and was going to pay a premium of 25 cents a bushel for corn, as I remember his statement. Not only was he going to do that, but he did it, and he had that to do. That has created pretty much of a black market by the Government. The Secretary of Agriculture told us that day that there had been no corn moving and there was no corn moving except through the black market, and mainly by the large processors who sent

out their trucks to get corn because they could not get it in any other way, and they took along nylon stockings and cases of liquor and this, that, and the other; and there was no corn moving except where it was accompanied by a premium of that kind.

Mr. President, ceilings can be established. They were established. But under the ceilings, no corn moves. In my judgment, and I have had some experience with this matter, it probably will take 3 months before we can stabilize the price of corn. The price of corn at Chicago is about what the bottom of the ceiling price was on June 30, plus the black-market average. That is the basis upon which corn moves, and the only basis upon which it moves.

There will be no more corn available until the new crop is harvested. I think corn probably is in short supply at this time. The new corn crop is estimated at 3,500,000,000 bushels, the largest corn crop we have ever produced in this country, if it turns out to be as large as the present estimates indicate.

There is this further fact, Mr. President: In the corn crop of last year, which was a little over 3,000,000,000 bushels, there was a great deal of what we call soft corn, which could not move in commercial channels because it could not pass the grading. That was occasioned by an early frost or freeze in the Corn Belt before the corn ripened and was harvested. This year, with a normal corn-crop maturity, there will be 800,000,000 bushels more corn available through commercial channels than there was from the smaller crop of last year—but not smaller by 800,000,000 bushels. It was somewhere around 3,200,000,000 bushels last year, and this year's crop is estimated to be 3,500,000,000 bushels. But the additional corn available is because of the probable better character of the corn this year, as against last year's crop.

Mr. President, from some knowledge of this matter, and in view of the demand for corn that there has been and is now, I do not think the corn price will stabilize before the new crop is reasonably near us, which will be in October or November. If the Senator from Alabama will let me have his attention, let me say that he started to speak about flour, and I did not want him to add to the fund of misinformation which had already been given to the Senate.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. REED. I am glad to yield.

Mr. HILL. I wish to ask the Senator a very simple question, which he should have been able to answer after he finished the first grade. If the price of flour doubles, will that affect the price of the bread or the content of the loaf of bread?

Mr. REED. I should think so, if the price of flour doubled.

Mr. HILL. If the price of flour doubles, that will mean that the price of bread will double; will it not?

Mr. REED. Not necessarily.

Mr. AIKEN. Oh, no.

Mr. REED. But the price of flour has not doubled. I hold in my hand a tele-

gram from the Millers' National Federation, which is the largest millers' organization in the United States, and represents approximately 85 percent of the total milling capacity. This is their statement today:

WASHINGTON, D. C., July 10, 1946.

HON. CLYDE M. REED,

United States Senate:

In connection with the consideration of your proposed amendment to remove grain and grain products from any future price control * * *. On the average the price of wheat has gone up only approximately 5 percent over the former ceiling price, and there is ample evidence that wheat prices generally will hold to that level because of supply and demand. With the expiration of OPA, there also expired the subsidy on flour paid by RFC for the purpose of holding the flour price ceiling at a level substantially below the wheat price ceiling. This necessitated an immediate upward adjustment in the price of flour equivalent to the subsidy paid by the Government. The last subsidy rate east of the Rocky Mountains was 47 cents per bushel of wheat, which is equivalent to \$1.03 per hundred-pound bag of flour. On the Pacific coast the subsidy rate was 50½ cents per bushel or \$1.11 per hundred pounds of flour. Flour millers in many areas increased flour prices by those required amounts only. * * * The Millers' National Federation, the national organization of the wheat-flour milling industry of the United States, representing 85 percent of the industry, endorses the proposed amendment to remove grain and grain products from any future price control. We believe such action will be in the best interest of the wheat producers and the consumers. Reimposition of ceilings on grain, in the light of the removal of meat and poultry from price control, can only result in excessive diversion and maldistribution of wheat for animal feeding and in black-market operations in grain to the detriment of all concerned.

MILLERS' NATIONAL FEDERATION,
HERMAN FAKLER, Vice President.

Before I conclude, Mr. President—and I did not intend to take the floor again, until the Senator from Kentucky emptied such a large amount of misinformation upon the Senate—I wish to say that there are in this country areas very much more concerned about the grain supply than my area is. In my area grain is produced. For example, wheat is raised all the way from Pennsylvania to Colorado, inclusive. Kansas happens to be the largest wheat-growing State. The great Corn Belt is from Ohio to Iowa. In that area is raised the surplus of grain which must be used in what we call the deficit areas. Because of the ceilings and the disorganized marketing system, grain is not now moved and has not moved to the deficit areas in any volume, and every man from New England, from the South, from Delaware, from New Jersey, from New York knows that to be the case. That is why there is the movement to take controls off of grain, reestablish a free market, and let grain move through those channels from the surplus-producing areas to the deficit areas which must live upon the surplus. Grain has not moved. That is why we have had this Macedonian cry from New England. That is why a Delaware man told me today that he had bought two carloads of corn in Chicago, and it was the first time he had been able to buy it in the open market in Chicago, and he paid \$2.30 a bushel, which

was away above the ceiling price, but that price represents the average black-market price at which grain has moved.

The senior Senator from Maryland [Mr. TYDINGS], who is not now present, told me a year or so ago about paying \$1.75 a bushel for corn in Maryland, when the ceiling price at Chicago was either 97 cents or \$1.07—I have forgotten which. Every Senator who comes from a deficit grain area which has to import grain from the surplus grain-producing sections, in order to feed the dairy herds and the chickens, will be told the same thing—"It has been impossible to secure the surplus that you needed. The markets were not functioning." Yet, Mr. President, within 10 days the wheat market has responded to the law of supply and demand. At Kansas City, it went up about 21 cents, on the initial jump, but now it has come back and has steadied down at about 10 or 11 cents over the former ceiling price. That is an increase of 5 percent. Yet, Mr. President, the going market price at Kansas City is 19 cents a bushel less than the Government of the United States, through the Commodity Credit Corporation, paid for quite a number of millions of bushels of grain as late as May 25.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. REED. I am glad to yield.

Mr. MYERS. I understood the Senator to say that under the law as it has been interpreted, bread would not be included under his amendment.

Mr. REED. That is correct.

Mr. MYERS. What about breakfast cereals?

Mr. REED. I am rather sure, although I have not read it lately, that the definition of an agricultural commodity is "an agricultural commodity or a commodity processed out of an agricultural commodity." Flour is processed out of an agricultural commodity. If breakfast cereal is made directly from wheat—I do not know whether it is—it probably would be considered as an agricultural commodity or something processed from an agricultural commodity.

Mr. MYERS. Mr. President, will the Senator further yield?

Mr. REED. Certainly.

Mr. MYERS. Therefore, the Senator is advocating either the removal of all controls on breakfast cereals, and so forth, or he is advocating the decontrol of the raw product, the flour, and all other products from which breakfast cereals are made. Yet the price ceilings are to be maintained on the finished products. I think it is impossible to administer such a law. If flour is decontrolled, but bread is controlled; if cereals are controlled, but the products from which cereals are made are decontrolled, every Senator will be running to the OPA and raising holy horror and blaming everything on the OPA. Yet the Senator advocates an amendment which I think frankly is impossible to administer. If we are going to put a ceiling on bread, but not put a ceiling on flour; if we are not going to put a ceiling on wheat, but are going to put controls on breakfast cereals, it seems to me that such a law will be impossible to administer.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. I may say that about 3 years ago a study was made by the Federal Trade Commission of all the facts concerning a loaf of bread. It was one of the most revealing studies which was ever made. It showed what factors go into the cost of a loaf of bread. The farmer receives only a half a cent for each loaf. The wax paper and the vitamins which are manufactured represent a greater proportion of the cost of a loaf of bread than does what the farmer receives. The cost of a loaf of bread consists of such items as transportation, labor, and mark-ups, which total about 10 cents a loaf. During World War II, when supplies were sold to the Government at cost, the cost of a loaf of bread was about 4 cents. If bakers can learn how to make 40 more loaves out of a barrel of flour than they could make 20 years ago, I suppose it is because of added ingredients, water content, or factors of that kind. I do not know. What the farmer receives out of the price of a loaf of bread is so small that it is almost inconceivable. If the price of a loaf of bread were doubled, the farmer would receive not more than 1 cent a loaf.

Mr. HAWKES. Mr. President, will the Senator yield so that I may ask a question of the Senator from Vermont?

Mr. REED. I yield.

Mr. HAWKES. I think that what the Senator has stated is a very valuable bit of information. The Senator from Alabama referred to doubling the price of bread. If we were to double the price of wheat would the increase in the cost of a loaf of bread be more than a cent and a half?

Mr. AIKEN. It would be approximately a cent and a half. If I can find the report of the Federal Trade Commission I shall bring it to the Senate tomorrow and have it inserted in the Record. It reveals facts which I think every Senator should know. The farmer is accustomed to receiving the blame for the high cost of almost everything when, as a matter of fact, his margin of profit compared to the ultimate selling price is very, very low.

Mr. REED. Mr. President, when the Senator started out on a set of facts most of which were not true, I was forcibly reminded of what occurred this morning when we were calling the roll on the decontrolling of cottonseed oil. I was reminded of the lines—

'Tis sweet to hear the watch-dog's honest bark
Bay deep-mouth'd welcome as we draw near home.

Mr. McCLELLAN. Mr. President, I ask unanimous consent to be absent from the Senate during the next hour. I have an engagement which I am compelled to keep.

The PRESIDING OFFICER. Without objection, leave is granted.

Mr. HILL. Mr. President, the Senator has spoken about facts which he says are not true. I quoted from a letter of a very reliable businessman in Pennsylvania in which he stated that on the 20th

of April of this year his concern was invoiced with a certain grade of family flour at \$6.94 a barrel. Today the same mill asks \$11.58 a barrel for the same kind of flour. What I have stated is a fact which was represented by the businessman to whom I have referred, who is in the business of buying flour. He bought flour in April, and now has to pay nearly twice as much for it because the OPA has been stricken down.

Mr. REED. Mr. President, I do not think that the statement of the Senator from Alabama requires any answer. There may be an isolated case here and there of a storekeeper meeting up with an experience of the kind to which the Senator has referred. I have already asked and received consent to have printed in the RECORD a statement of the Millers' National Federation, which is recognized as having business ethics of as high a quality as the ethics of any organization, and they said that their members were trying to hold the line.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Kansas [Mr. REED], on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Iowa [Mr. HICKENLOOPER], who, if present and voting, would vote "yea." I am, therefore, at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BURCH], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Louisiana [Mr. OVERTON], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine Independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general

pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Louisiana [Mr. OVERTON], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Kentucky [Mr. STANFILL] are unavoidably detained.

The Senator from South Dakota [Mr. BUSHFIELD] would vote "yea" if present.

The result was announced—yeas 32, nays 40, as follows:

YEAS—32

Alken	Ferguson	Smith
Austin	George	Taft
Bail	Gurney	Thomas, Okla.
Bridges	Hart	Tobey
Brooks	Hawkes	Wherry
Buck	Langer	White
Capehart	Millikin	Wiley
Capper	Moore	Willis
Cordon	O'Daniel	Wilson
Donnell	Reed	Young
Eastland	Robertson	

NAYS—40

Barkley	Johnston, S. C.	Myers
Briggs	Kilgore	O'Mahoney
Byrd	Knowland	Pepper
Carville	La Follette	Radcliffe
Chavez	Lucas	Revercomb
Downey	McCarran	Russell
Fulbright	McKellar	Stewart
Gerry	McMahon	Swift
Gossett	Magnuson	Taylor
Guffey	Mead	Tunnell
Hill	Mitchell	Wagner
Hoey	Morse	Walsh
Huffman	Murdock	
Johnson, Colo.	Murray	

NOT VOTING—24

Andrews	Ellender	Overtton
Bailey	Green	Saltonstall
Bilbo	Hatch	Shipstead
Brewster	Hayden	Stanfill
Burch	Hickenlooper	Thomas, Utah
Bushfield	McClellan	Tydings
Butler	McFarland	Vandenberg
Connally	Maybank	Wheeler

So Mr. REED's amendment was rejected.

Mr. MOORE. Mr. President, I desire to call up the amendment I have at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 6, between lines 11 and 12, it is proposed to insert the following:

(4) Nothing contained in this act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum and petroleum products processed or manufactured in whole or substantial part from petroleum, unless the Price Decontrol Board established under subsection (h) shall have first determined and certified in writing to the Administrator that the supply of crude petroleum or the particular petroleum product on which price controls are to be imposed or maintained, is insufficient to meet the domestic consumptive demand therefor.

Mr. MOORE. Mr. President, this amendment is designed to exclude from the Price Control Act any authority to impose or maintain price controls with respect to petroleum and petroleum products, unless the Decontrol Board shall determine that the supply is insufficient to meet the domestic consumptive demand, and shall certify that fact to the Administrator.

The pending measure has been written on the theory that price controls shall not be continued, imposed, or maintained upon any product when the supply thereof is substantially in balance with the domestic demand. This is in line with what the President has stated should be the policy of the Administrator. It is in exact accord with what the Administrator and the Director of the Office of Economic Stabilization and the Secretary of Agriculture have argued for, publicly and before the House and Senate Committees. It is in accord with the suggestion of numerous high administrative officials, such as former Secretary of the Treasury, Mr. Vinson, the present Secretary of the Treasury, Mr. Snyder, Mr. Small of CPA, and others. It is in accord with the unqualified promise that has been made on numerous occasions by Mr. Porter with respect to his administration of the proposed law.

However, the record of OPA in its dealings with the petroleum industry is such that every man in the industry knows that unless the Congress excludes petroleum from the joint resolution price controls will nevertheless be maintained upon this industry, which has since VJ-day been in a position to oversupply our domestic demand for crude petroleum or any petroleum product, including all demands of the Army and the Navy.

There is also convincing evidence that unless petroleum is excluded from the joint resolution, it is the intent and purpose of the Administrator to continue these controls on the oil industry notwithstanding what the supply and demand situation may be, and regardless of the unanimous recommendation of the industry and OPA's Industry Advisory Committee.

In this connection I desire to read a copy of a recent communication from the Administrator, Mr. Porter, to the Senator from Pennsylvania [Mr. GUFFEY], together with the comments thereon by Mr. Walter Hallanan, president of the Plymouth Oil Co., who is as well versed on the supply and demand situation with regard to petroleum as any man I know

in the business. Mr. Porter's letter is as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., June 27, 1946.
The Honorable JOSEPH F. GUFFEY,
United States Senate,
Washington, D. C.

DEAR SENATOR GUFFEY: This will acknowledge receipt of your letter of May 28, 1946, enclosing a letter of May 25 from Mr. Walter S. Hallanan, president of the Plymouth Oil Co., Pittsburgh, Pa.

We have had under consideration the possible suspension of petroleum price control and have recently held several meetings with different petroleum industry advisory committees to ascertain from them the possible price trends in event of a suspension program. The reports from these committees state that crude oil could advance 25 cents per barrel and product prices approximately 1 cent per gallon.

We note Mr. Hallanan takes exception to my assertion that "immediate lifting of price control would cause industrial fuel oil to advance nearly 100 percent over prices of this product in effect for 1941." There is a serious shortage of this petroleum product and it has been necessary for this Office to increase the ceiling prices of residual fuel oil by approximately 25 percent over the base period price in 1941 to bring out the necessary production. This shortage has been caused primarily by the large requirements of the Navy and War Shipping Administration who are currently using approximately 50 percent of total residual fuel oil production. If price controls were lifted, a large increase in the price of residual fuel oil is very possible in face of the present short supply. The Refiners Industry Advisory Committee states there is an economically situated refining capacity in the United States of 4,900,000 barrels per day. For the week ending May 25, 1946, refinery runs, according to the American Petroleum Institute report, amounted to 4,857,000 barrels per day, or within 43,000 barrels per day of maximum refining capacity. The large current demand for all types of petroleum and petroleum products has greatly surprised both Government agencies and members of the industry. One industry advisory committee's report submitted early in May stated the probable daily demand would be between 4,400,000 and 4,500,000 barrels, while the actual demand as shown in the latest American Petroleum Institute report is running around 4,850,000 barrels per day.

It may be true, as Mr. Hallanan states, that transportation facilities are adequate, ample manpower is available and competition may be strong within this industry; however, the present demand is so great it is creating a pressure upon the present ceilings of many petroleum products. Two to three months ago gasoline was in plentiful supply and was selling below ceilings at the wholesale level; however, today in most areas of the country gasoline is selling at present ceilings. Only in the Midwest area is this product being quoted at the wholesale level slightly below ceiling.

We are continuing to study the possibilities of suspending petroleum price control under the provisions of Directive 68 of the Office of Economic Stabilization.

Sincerely yours,

PAUL A. PORTER,
Administrator.

The letter from Mr. Hallanan referring to the letter from the Senator from Pennsylvania [Mr. GUFFEY], addressed to me under date of July 5, 1946, is as follows:

I have received from Senator JOSEPH F. GUFFEY, a copy of a letter sent to him under date of June 27 by Mr. Paul A. Porter, Administrator of the Office of Price Administra-

tion. Mr. Porter comments on a letter which I had addressed to Senator GUFFEY along with other members of the Senate, with respect to the necessity and urgency of immediate action in looking to decontrol of the petroleum industry from war-time restrictions. A copy of Mr. Porter's letter is enclosed.

You will recall that during the latter part of June, Mr. Porter had indicated in other correspondence that there was some hesitancy upon the part of OPA to proceed with decontrol of the petroleum industry on account of the threatened maritime strike. That was the excuse then given by OPA for failure to take affirmative action. Since the maritime strike failed to materialize, it is obvious that OPA has found it necessary to resort to other fantastic reasoning in deferring action concerning the petroleum industry.

I send you a copy of the letter addressed to Senator GUFFEY because it indicates that OPA now is concerned with the consumption of gasoline—and fears for the necessity of continuance of control because of the increase in gasoline consumption. May I point out to you that even at the time this letter was written by Mr. Porter, gasoline stocks were 92,333,000 barrels on June 29, 1946, as compared with 86,145,000 barrels on June 30, 1945, an increase of 6,188,000 barrels since last year. Gasoline stocks may decline to some extent during the coming weeks but we still will have maximum gasoline stocks to meet all possible requirements.

Gasoline stocks exceed 1941 levels and are at the highest point in 6 years. Present gasoline stocks are approximately 10,000,000 barrels above the past 10-year average at this season of the year. Measured in days supply, present stocks are in line with normal requirements.

Year	Total stocks of finished gasoline on June 30	Total gasoline demand for following month	Number of days' supply
		1,000 barrels daily	
1936	60,519,000	1,583	38
1937	67,839,000	1,743	39
1938	73,725,000	1,672	44
1939	74,395,000	1,751	42
1940	86,276,000	1,793	48
1941	82,411,000	2,113	39
1942	80,080,000	1,865	43
1943	67,345,000	1,828	37
1944	70,246,000	2,087	34
1945	71,089,000	2,351	32
1946	83,595,000	12,200	38

¹ Estimated.

Principal petroleum products stocks for June 29, 1946, are nearly 22,000,000 barrels above the stocks levels 1 year ago.

Product	June 29, 1946	June 30, 1945	Increase
Gasoline (finished and unfinished)	92,333,000	86,145,000	6,188,000
Kerosene	13,881,000	9,571,000	4,310,000
Distillate	37,762,000	32,214,000	5,548,000
Residual	46,447,000	40,631,000	5,816,000
Total	190,423,000	168,561,000	21,862,000

While it is true that in some markets, house-brand gasoline has been selling at the ceiling price of 5¾ cents, it is also true that on ethyl gasoline the current market is 6¼ cents, as compared with the OPA ceiling of 6¼ cents per gallon.

It has become more certain that OPA can always find some reason or excuse for refusal to decontrol the petroleum industry and permit a free economy to be restored. In consideration of any renewal of OPA authority, I think you should know that the petroleum industry would be helpless unless there was specific provision made for its

exemption, written explicitly and mandatorily into the law.

With assurances of high regard, I am,
Sincerely yours,

WALTER S. HALLANAN.

Mr. President, in connection with that letter, I ask to have printed in the RECORD, without reading it, an article appearing in the Chicago Journal of Commerce of July 9, 1946, which bears out these figures.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE REAL OPA PROGRAM
(By Kelth Fanshier)

It is sufficiently plain by now that the petroleum industry can expect little or no consideration from the Office of Price Administration on the industry demand for immediate oil price decontrol, when and if a new price control bill is passed, assuming Congress does not specifically exempt petroleum from control.

Paul Porter, who was head of OPA when there was officially an OPA and who talks as if his job still exists (and, indeed, it soon may exist again), came out late last week with another of his numerous blasts at the industry.

Mr. Porter now appears to be attacking the whole principle of resting oil prices upon private enterprise. He says, in effect, that the industry cannot be trusted with the authority to manage its own price structure.

This ought to make it clear that all the earlier talk by Washington about prompt petroleum decontrol if OPA authority was renewed was just that—talk.

Mr. Porter now puts himself positively on record as saying that it will be a long time before the end of oil price control, if the decision remains in his hands.

The OPA tune about oil now is entirely different from when OPA officials were trying to buy petroleum-industry support for the agency's continuation by holding out promises. The OPA now apparently feels that it will get a strong new control act from Congress, and that it doesn't need to bid for oil-industry control—hence, it can afford to talk tough again.

There are apparently a good many things Mr. Porter and his OPA people don't know about petroleum economics and the current and prospective petroleum demand and supply situation. The recent Porter letter to Senator GUFFEY betrays that fact.

Contentions of Mr. Porter and other OPA officials on petroleum prices have been answered repeatedly by the industry. Even his latest one has been fully refuted already.

There is, of course, no point in trying to convince the agency and its leaders. Their arguments run on and on, regardless.

The point simply is that they are putting themselves on record and foreshadowing for the industry their probable future policies, regardless of their promises to step aside.

The petroleum industry now knows positively, without any slight doubt, what it can expect.

It can expect continued drastic price control unless it can get legislative action putting the Washington controllers where they belong.

Mr. MOORE. I think it clear from Mr. Porter's letter that he has no thought of releasing controls on the oil industry. It is equally clear from Mr. Hallanan's letter that under the theory of this bill there is no possible reason at this time for not excluding petroleum from the Price Control Act. If the unexpected should happen and the supply of petroleum should fall below demand, then upon a finding of the Board and a certificate

to the Administrator, controls may be imposed.

It has been suggested to me that natural gas should be included in this amendment. It is my opinion, and I think the courts have passed upon the question, that the term "petroleum" includes all hydrocarbons, either in liquid or gaseous form, and for the record I want to make it clear that it is the intent and purpose of this amendment to include all forms of gas as well as oil and oil products.

I desire to have the yeas and nays on this question, Mr. President.

Mr. GUFFEY. Mr. President, I should like to say that while the Senator from Oklahoma has used my name several times in the discussion, and correctly so, that none of the figures he gave were figures from letters which I wrote. Am I correct in that statement?

Mr. MOORE. The Senator is correct about that. I quoted figures which Hallanan cited in his letter to me.

Mr. GUFFEY. I rose to say, Mr. President, that I am going to oppose this amendment. My family has been in the oil business since 1869, and we know something about it. We should know something about the oil business, having been in it for so long a time. After the last war controls were taken off oil, and as a result we had a catastrophe after it was all over. The price of Pennsylvania oil rose from \$2.75 to \$6.10 per barrel. Refined products rose correspondingly. Midcontinent oil rose from less than \$1.50 a barrel to \$3.50 a barrel, and the price of refined products rose correspondingly.

I will admit that some prices in some fields now do not pay for production, but in the larger and newer fields the price is ample to those who are producing oil. Therefore I see no reason for increasing the price of crude oil at this time; so I shall vote against the amendment. Another reason for voting against the amendment is that I and my family would benefit from the increased price, and I cannot vote for anything that would have such an effect.

Mr. MOORE. Mr. President, will the Senator yield to me for a question.

Mr. GUFFEY. I yield.

Mr. MOORE. The Senator said that the price of oil during the First World War went to \$3.50 a barrel. That is true. After the war was over what did the price go to then?

Mr. GUFFEY. The increase was after the war.

Mr. MOORE. No, no.

Mr. GUFFEY. I think the Senator's remembrance of the history of the price of oil after the last war is faulty.

Mr. MOORE. Mr. President, I will stand upon this assertion. I will say to the Senator that the war was over in November, and on the first day of January the price of oil had gone from \$3.50 a barrel to \$1 a barrel.

Mr. GUFFEY. I will not say that it did not, but the price of mid-continent oil increased after the war was over to \$3.50 a barrel. Pennsylvania oil, in which I deal and some of which I produced, rose from \$2.75 to \$6.10. That I am positive of.

Mr. MOORE. The Senator is wrong.

Mr. GUFFEY. I may be wrong concerning the Midcontinent field. I do not have the accurate figures for that field, but I think my memory otherwise is pretty nearly as accurate as is that of the Senator from Oklahoma.

Mr. MOORE. I will ask the Senator from Pennsylvania one other question. Is the supply of oil now equal and even in excess of the demand for oil?

Mr. GUFFEY. I think it is in excess.

Mr. MOORE. Then what reason is there to keep it under control?

Mr. GUFFEY. Does the Senator want the price lowered?

Mr. MOORE. I am talking about the supply and demand.

Mr. GUFFEY. If there is an excess, does the Senator want the price lowered? The effect of the amendment might be to lower the price of oil. There will be a great increase in the price temporarily, and then it will go down.

Mr. MOORE. I am not asking the Senator to expostulate on that. I am asking him: Is the supply equal to the demand or more than the demand?

Mr. GUFFEY. It is more than the demand.

Mr. MOORE. And that is true of oil products as well?

Mr. GUFFEY. In some lines.

Mr. MOORE. Is it not true in all lines?

Mr. GUFFEY. In fuel oil it is short of the demand, according to the statistics published in the Oil and Gas Journal.

Mr. MEAD. Mr. President, as it now stands this is a decontrol measure. It is a measure to control the price controllers so that they cannot control prices. It may prove to be a measure to foment industrial disputes and prevent the country from attaining the large scale production which we so very greatly need. There may be many products that can be decontrolled today without affecting living costs; but that is not the objective of the pending measure.

We have heard a great deal in recent months about there being no possibility of controlling prices if we do not control wages. I do not care to get into that controversial subject at this moment. I do want to say, however, that there is little possibility of keeping down wages if we do not keep down the cost of living; that any substantial increase in living costs inevitably will lead to a reopening of the whole wage question and bring about another wave of industrial unrest and production delay. I hope this will be averted.

As the Nation has come through the wage adjustments that inevitably follow as an aftermath of war, and settlement has been reached in one major area after another, the whole Nation has heaved a sigh of relief. One or two adjustments more, people have said, and we may settle down into an era of industrial peace and uninterrupted production that will realize the fondest hopes of industrialists, wage earners, and the consuming public.

There has, unfortunately, been some uncertainty in the situation. After nearly 3 years of stability, cost-of-living prices have been rising at the rate of about 6 percent per year; wholesale prices more than twice as fast. Under-

standably this has made labor a little less willing to make concessions on the basis of existing living costs. It has led to many settlements with a provision that they might be reopened if conditions changed. The pending measure obviously will, I believe, make labor increasingly unwilling to make stable settlements in the months that lie ahead. It will open up for renegotiation wage settlements containing clauses for reopening. Almost certainly, it will lead also to an opening up of many of the agreements reached which do not include renegotiation clauses. For the measure before us will not increase the cost of living at the rate of only 6 percent per year; it will increase it overnight far more than 6 percent and insure substantial inflation of living costs in the year ahead.

If living costs stay fairly steady, an era of extraordinary production lies before us. Already our industries are producing approximately 60 percent more than they produced in the prewar period. If labor controversies come to an end, and we all hope they do, and the productive facilities of the Nation settle down for a strong pull, there is every reason to believe that we shall turn out double the quantity of goods we produced in prewar years. This can mean greater profits for business, greater earnings for labor, greater markets and greater prosperity for farmers, and for consumers double the prewar volume of goods for distribution. If, however, this measure passes in its present form, these dreams will disappear into a turmoil of labor-management conflict that not only will erect a barrier of extreme bitterness between labor and capital, but will destroy our productive opportunities.

During the war, prices were held remarkably well considering the terrific inflationary pressures created by the Government's vast military program. Prices rose less than one-half as much as they rose in World War I, when the pressures of inflation were infinitesimal compared with those of the recent war. After World War I, without any control, prices continued to increase; about one-third of the total rise coming after the armistice. Following a 61-percent increase in living costs during the war, the cost of living rose until May 1920, when it was 108 percent above prewar level. On VJ-day of the present war, living costs were only 30.7 percent above the level of August 1939, when World War II broke out in Europe. On June 15 they were only 32.4 percent above prewar prices; only 1.7 above the VJ-day level. There is every reason to believe that if we pass a price-control bill and not a bill to control price controllers, so that they cannot control prices, we can hold a reasonably steady price line until production gets rolling at unprecedented volume, to wipe out war-accumulated shortages and enable us to get rid of price controls in an orderly fashion without economic shock to the Nation.

The pending measure as it now stands is a fraud upon the millions who bought war bonds during the war on the plea that they would get back at maturity \$1 for every 75 cents invested in bonds. It

is a fraud upon the many disabled and other veterans pensioned by the Government, whose real incomes will be substantially destroyed if this joint resolution passes. It is a fraud on the owners of life-insurance policies, particularly on those who have purchased annuities for their old age with the expectation that their income would have the same purchasing power it had during the period when they made their premium payments. Not the least of its vices is the fact that just when we are squared away for full production and getting our wage controversies adjusted, it will throw the Nation again into industrial turmoil.

If anyone proposed in the Congress of the United States that we tax objects which are essential to the living of the people 2, 3 or even 5 percent, the roar of protest that would go up in this room would sound from one end of the Nation to the other. Yet, we are proposing a tax of 25 percent or more during the coming year upon the necessities of living of the people of the Nation for the temporary benefit of some favored producers, and apparently a majority of the Members of the Senate seem to think that this is a desirable step.

The saddest part of the whole picture is that this campaign to eliminate price controls, or to so hamper price controllers that they cannot do their job, is based upon gross misrepresentation. One would think from hearing the speeches of proponents of this bill that the Nation is on the edge of economic disintegration; that it can be saved only by radical changes in the price control law and the regulations adopted under it by the Office of Price Administration. I will tell the Senate, how nearly we are to the brink of disaster. We are producing 69 percent more industrial goods than we produced before the war. And if we have enough sense not to invite a new series of industrial disputes we will, before the present year is out, produce close to double the quantity of goods we produced in prewar years. That is the disaster from which the country is to be saved.

We hear also about widespread business hardship. One would think from listening to the speeches that our manufacturers and wholesalers and retailers are falling like flies by the wayside. The truth is that never has there been so few cases of hardship as during these price control years. In the great boom year of 1929, 22,900 business firms failed in the United States. In the last prewar year, 1939, 14,700 firms failed. Last year, under price control and all the hardships created by the regulations of the Office of Price Administration, just 810 firms failed in the whole United States. Failures this year are running only slightly ahead of last year. If the present rate is maintained, not more than 1,000 firms will fail in the calendar year 1946. Such is the catastrophe from which the Nation is to be saved.

Never in the history of the Nation were profits of business—in manufacturing, in wholesaling, and in retailing—so large as they have been during these price-control years. The earnings of some corporations affected by strikes were less in the first quarter of

this year than in the same quarter last year. But the earnings of corporations not affected by strikes are substantially above those of last year. Earnings after taxes are very substantially above last year's earnings, due to the elimination of the excess-profits tax. This prosperity applies not only to big business but to small business. It applies likewise to the food producers of the Nation. Such is the catastrophe from which Senators would save the Nation by wrecking our economic stability and inviting a new wave of industrial unrest.

These steps are to be taken supposedly to save free enterprise in the Nation. Free enterprise never will be destroyed by profit-making businesses, by workers with steady work and good wages. It will be destroyed only by economic disaster. We are in no danger of such economic disaster if we keep our economy on a stable basis while we make the transition from wartime controls back to free market prices. But, if we subject the country to economic shock by the passage of this bill we shall, I feel certain, set in motion a spiral of inflation that will not stop until prices are far above present levels. Upward and upward they will soar until supply and demand come into balance at some new price level.

We may be very certain, however, that that new level will not provide for consumption of the volume of goods now being produced or that can be produced if we hold our economy stable during the coming year. The price level which will bring production and demand into balance will supply markets for far fewer goods than are now being produced. That will mean a shrinkage of factory workers perhaps equal to the 33 percent drop that followed the last war. It will mean a shrinkage in factory pay rolls, perhaps equal to the drop which followed World War I. It will mean also galloping prices and shrinking profits for business that will lead to widespread business failures. These averaged 20,000 a year in the 5 years following the collapse after World War I—20,000 a year, compared with the 810 firms that failed in the United States last year.

Why all this agitation to upset a prosperous Nation and prevent an orderly transition back to free-market pricing? There is no emergency existing today. There are no hardship cases in agriculture or in industry that cannot be remedied under present law. There is no calamity facing the country calling for radical changes. Instead, we are faced with the highest level of peacetime production ever attained and the most prosperous economy. If this bill passes, however, I believe calamity lies ahead for the Nation.

This bill should be defeated by an overwhelming majority. If it is passed in its present form it should be vetoed by the President of the United States. We had better have no price control at all than a bill designed to control the price controllers and not prices.

The pending measure, as it is being amended, unless it can be matched by a stronger and better bill from the House, or unless the conferees are fortunate enough to agree this time on a measure

which merits our support, will, in my opinion, prove to be a fraud and a delusion. We shall know this only too well after we have tried out the experiment. I fear that if we do try it we shall be called upon to endure the experiences which followed in the wake of World War I.

Mr. President, I am disappointed at the progress that is being made and the amendments which are being adopted. I fear that we shall do no better than we did in our first attempt.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Pepper
Austin	Hill	Radcliffe
Ball	Hoey	Reed
Barkley	Huffman	Revercomb
Bridges	Johnson, Colo.	Robertson
Briggs	Johnston, S. C.	Russell
Brooks	Kilgore	Smith
Buck	Knowland	Stanfill
Bushfield	La Follette	Stewart
Capehart	Langer	Swift
Capper	McCarran	Taft
Carville	McClellan	Taylor
Chavez	McMahon	Thomas, Okla.
Cordon	Magnuson	Tunnell
Donnell	Mead	Wagner
Downey	Millikin	Walsh
Ferguson	Mitchell	Wherry
Fulbright	Moore	White
George	Morse	Wiley
Gossett	Murdock	Willis
Guffey	Murray	Wilson
Gurney	O'Daniel	Young
Hart	O'Mahoney	
Hawkes	Overton	

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, I wish to say a brief word in regard to the amendment.

There is no need for the amendment. It provides that no maximum price shall be fixed on petroleum or products processed or manufactured therefrom unless the Price Decontrol Board shall certify certain things with respect to the shortage of petroleum or of the product on which the price is supposed to be set.

Mr. President, we are setting up, as has been explained time and time again, a Decontrol Board and industry committees for 65 or 75 different industries, including the petroleum industry. If the industry committee for petroleum files a petition for decontrol and that goes before the decontrol Board referred to in the pending amendment, the Decontrol Board, after a hearing, can issue an order to the Administrator to take prices entirely off petroleum or any petroleum product, and then the Administrator will be compelled to obey the order.

So there is no need for the amendment. If we are going to decontrol petroleum by this amendment, unless the Decontrol Board steps in and certifies to the Administrator that there is a shortage of petroleum or some product of petroleum, if the amendment is of any value at all to those who are advocating it, it means an increase in the price of gasoline to every farmer in the United States who runs a tractor or has a gasoline engine of any kind, and to every automobile driver in the United States, and to every user of gasoline.

If the amendment does not mean that, why is it being advocated? If the situation is such as to justify removing the price controls from petroleum because of a surplus or a full supply of petroleum, the Decontrol Board itself has full power to do that.

Therefore, the amendment is not necessary and ought not to be adopted, in my judgment; and I hope it will not be adopted.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MOORE. I think the Senator will admit, for, I have never heard any one deny it, that petroleum products now are equal to the demand and in excess of demand. Am I correct?

Mr. BARKLEY. I think there is a supply of petroleum that is adequate at this time. Under that situation, if it should continue, I think the Decontrol Board in all likelihood would decontrol petroleum as fast or faster than petroleum would be decontrolled under the Senator's amendment. I think the Senator has the situation in reverse.

Mr. MOORE. It has been put in reverse under present conditions.

Under the Price Control Act, as it existed until July 1, petroleum and petroleum products were in full supply, and they had been in full supply since VJ-day. The Senator from Kentucky knows that to be so. He has heard it over and over again. Petroleum and petroleum products have been in full supply and in excess of the demand. However, the Price Administrator never at any time, although he was petitioned time and time again, never would decontrol oil.

I wish to call the Senator's attention to the situation. I do not wish to have something useless added to the joint resolution. I placed in the RECORD today a statement that Paul Porter, who was the Price Administrator when this law went out of existence, has positively stated, in my opinion, that he simply will not decontrol oil, although under the law under which he was operating as of the 27th of June, he had no option about the matter, for the law required that he must decontrol oil. But he did not do it.

Mr. BARKLEY. There are various circumstances which may have contributed to the viewpoint of the OPA Administrator that oil ought not be decontrolled. One of them was a regional situation due to the possibility of a strike.

Mr. MOORE. Yes.

Mr. BARKLEY. It is entirely conceivable that transportation problems might seriously interfere with the proper distribution of oil, although there might be an over-all supply of oil, throughout the country, which would be sufficient, if properly distributed.

But, regardless of Mr. Porter's attitude heretofore—and I must say I have never considered that he was stubborn or adamant—the situation since he has been Administrator did not seem to justify immediate decontrol. But irrespective of that, under the pending measure the Decontrol Board will control that. A petition can be filed and the Decontrol Board can order the decontrol of petro-

leum, and then the Administrator will have no discretion in the matter.

Mr. MOORE. On the other hand, if it should develop at any time in the future, if we pass a price-control law, that the Decontrol Board means to put oil back under price control, if it finds that oil is in short supply—

Mr. BARKLEY. Of course, that would be true of any commodity if it is found to be in short supply and if there is a justification for the reimposition of price control.

Mr. MOORE. Then, what harm could result from having the Congress take this stand now and say that petroleum is in full supply. Everyone admits that it is.

Mr. BARKLEY. Of course, as I have said, the harm comes from the fact that it is simply an accumulation or adding up of congressional decontrols which make it more difficult to obtain any legislation on the subject at all.

In this particular situation, the amendment does not aid even in connection with the Senator's own desire to get immediate or prompt decontrol, because, of course, under his amendment no price would be removed unless the Decontrol Board certified certain things. Theoretically it could certify certain things immediately upon the passage of this measure; but I take it that any board appointed by the President and confirmed by the Senate would take its duty seriously and would look into the situation first, and would not issue any certification under any circumstances unless it felt that the certificate was justified by the facts. Therefore, it seems to me, we have provided ample means by which decontrol can be brought about promptly by any industry. A petition could be filed the next day after the President signs the joint resolution, if he does sign it, and that petition would put in motion the process by which decontrol would take place.

Therefore, I think that is a sounder and more logical provision than the one which is embodied in the Senator's amendment, I say with all due respect to him.

Mr. MOORE. No one knows what the price of oil would be.

Mr. BARKLEY. I do not know that either; but I assume the Senator assumes that some benefit would flow from his amendment to the industry.

Mr. MOORE. I merely want a proper amendment adopted.

Mr. BARKLEY. Every one wants a proper amendment, but to be free to do as he pleases.

Mr. MOORE. Yes, free to do what he pleases within the confines of decency.

Mr. BARKLEY. Yes, and to set the metes and bounds himself.

Mr. TAFT. Mr. President, the amendment now pending before the Senate proposes to decontrol petroleum. The Senate adopted such an amendment in the bill it passed some days ago. It was adopted then for the same reason that it should be adopted now. The pending joint resolution declares that if the supply of a commodity equals the demand it should be decontrolled. In this case we know that the supply equals the demand. No case was made so clearly before an OPA advisory board as the case

for petroleum. The evidence was perfectly clear, and everyone agreed that petroleum was in supply adequate to the demand. Because of the war a great supply of petroleum was built up. Of course peace demands are not equal to war demands. There can be no question about that. If we decontrol nothing, there may be something in the argument of the Senator from Kentucky. But we are to leave it to the Board. Here is a case in which the facts are undisputed. If we are going to decontrol, we should decontrol petroleum just as we decontrolled it in the last bill on this subject which was passed by the Senate. There is no argument which can consistently be made against decontrolling petroleum.

Mr. Porter repeatedly said that the OPA would decontrol petroleum, but it was not decontrolled. If he had intended to decontrol it he could have decontrolled it under the then existing law. He could have decontrolled it at any time during the past 3 months. When he appeared before the committee his only excuse for not decontrolling it was the coal strike. I asked him if he would be willing to say that within 30 days after the coal strike had been settled he would then decontrol petroleum. He answered that he would not give any definite assurance. I am personally convinced that he will not decontrol it, so far as he himself is concerned.

Mr. President, I do not know what the decontrol board will do. I hope that the board will operate successfully, but, after all, the President appoints the members of the board and, apparently, he agrees with Mr. Porter's philosophy. Why will not Mr. Porter decontrol petroleum? Because it is possible that there may be some slight increase in the price of oil. If we take off all controls, there will be an increase because the demand and the supply of oil will equal each other, and there will be a slightly higher price than the artificially low price which has been held by the Government against oil for the last 2 or 3 or 4 years during the war. The situation will adjust itself sooner or later.

Yet, in his veto message, the President himself questioned and disputed the formula which had been laid down by which decontrol should be put into effect when the supply equalled the demand. The President wants Congress to change that formula. We are refusing to change it. So long as the President adheres to such philosophy, the Decontrol Board which is to be appointed by him, and which, to a considerable extent, will be responsible to him, is likely to follow his philosophy. If we do not decontrol petroleum I believe it will be a long time before we will get decontrol of any important products. There may be decontrols of some of the minor products or articles, but I see no evidence to support the belief that any major product will be decontrolled. I feel, therefore, very strongly that Congress should adhere to the logic of its position, and where it finds that a product is in sufficient supply, the control of it should be removed, even though it may result in a small increase in price.

Mr. President, I believe that tobacco is in the same category. When the nego-

tations were in progress at the last conference it was generally agreed that if any commodities were to be decontrolled they certainly should be petroleum and tobacco. If we only get rid of bureaucratic regulation, it will be a great step forward in reducing the overhead expense of bureaucratic controls, as well as in reducing interference with business, which follows necessarily when Government undertakes every day in the United States to regulate and police thousands upon thousands of transactions. If there is a case in which the supply of a product clearly equals the demand, why do we not decontrol it?

Mr. THOMAS of Oklahoma. Mr. President, before the vote is taken, I desire to occupy a moment or two of the Senate's time in order to express my views with reference to this amendment.

I am supporting the amendment. A few days ago the Senate voted unanimously to take controls off petroleum and petroleum products. Now the controls are off. There are no legal controls today on petroleum and petroleum products. So the question is, Shall the Congress authorize, in effect, the reestablishment of controls over oil and oil products?

Mr. President, there is not a single reason, so far as I know, for the reimposition of controls over oil and oil products. Recently an advisory board, under the jurisdiction of OPA, met in Chicago. The board considered the entire oil situation and came to the conclusion, as I understand, that oil should be decontrolled. However, no attention was paid to the recommendation for decontrol which the board subsequently made. I have been advised that Mr. Porter made the statement that there was no good reason for keeping controls on oil except the threatened maritime strike. That strike did not materialize. So there is no excuse of which I know for maintaining oil and oil products under control.

Mr. President, there is no question about the present supply of oil. My colleague the junior Senator from Oklahoma [Mr. MOORE] has had placed in the RECORD some figures which cannot be disputed. In my remarks I desire to reinforce my statement by reference to those figures.

It has been estimated that on June 30 of this year there was on hand a total stock of 83,595,000 barrels of gasoline. That is more gasoline than existed last year at the same time, or the year before at the same time, or the year before that at the same time. At only one time previously was there more gasoline on hand than there was on June 30 of this year. There is now a surplus in the supply of not only the finished product but the unfinished product as well. There is now an increase over what there was in 1945 by more than 6,000,000 barrels.

With respect to kerosene, at the present time there is an increase of more than 4,000,000 barrels over what there was last year. There has also been an increase in distillate of more than 5,000,000 barrels over what there was a year ago, and of residual, which is a low-type fuel oil, there are 5,000,000 barrels.

So, Mr. President, it must be admitted that there is more gasoline, more kero-

sene, and more oil at the present time than there was a year ago. A year ago the war was still on in Japan.

Mr. President, if Congress will not decontrol gasoline, oil, and other refined products, or insists upon putting them back under control, it appears evident to me that the intention is to maintain the petroleum industry under control forever.

Mr. President, as a rule, crude oil is not developed by major companies. The rule is that crude oil is developed by what are known as wildcat drillers and wildcat operators. A wildcat operator is a man who has some money with which he wishes to speculate, and so he goes into an unproven territory, puts down a well, and hopes for results. More money has been lost in drilling for oil than has ever been made. So, as a rule, the new oil wells are discovered and developed by speculators who are called wildcat operators. Such operators, as a rule, do not refine the oil and sell the refined product. They produce the oil and sell it as crude oil.

The present price of oil is so low that the development of new oil wells has been discouraged. There are very few oil drills operating now. As a rule, there are approximately 2,000 drills in operation in an attempt to discover oil.

I am advised that at the present time scarcely half that number of oil drills are in operation. The reason for the small number of drills in operation at the present time is that the price of crude oil is not sufficient to enable the operators to take a chance on making a profit out of the investment of their money. It is well known that all expenses in connection with the digging of oil wells have increased. The cost of labor has increased, as is well known. The machinery which is used in drilling oil wells has increased in price, as is well known. Pipe has greatly increased in price, as is well known. So, the costs of putting down a well have materially increased. At the same time, the price of crude oil has been held down ever since the beginning of World War II.

At the present time the price of oil is approximately 60 percent of parity. Parity means the average price of oil in the year which is used as the base, which was 1926.

The average price of crude oil during that year was \$1.88 a barrel, and the average price of oil at the present time is approximately from \$1.30 to \$1.35 a barrel. So the price of oil today is not as high as it was in the base period of 1926, notwithstanding the fact that machinery is more expensive, pipe is more expensive, and labor is more expensive.

Unless something is done to increase the price of oil, to increase the returns to the wildcatter, to the men who venture forth to try to find new fields, the oil industry will become more and more discouraged, and if the situation should remain as it is for a few years, the United States might find itself with a depleted supply of crude oil.

Mr. President, it is my conviction that the controls should not be placed back on oil. If oil should rise somewhat in price, it would not necessarily affect the price of gasoline. A barrel of crude oil

contains 42 gallons, and under modern processes the refineries can produce approximately 42 gallons of gasoline and kerosene out of a barrel of crude oil.

Suppose oil is selling for \$1.40 a barrel. That means that the crude oil necessary to make a gallon of gasoline is worth about 3 cents. Gasoline is selling at the refinery for about 5 cents a gallon. The cost of gasoline to the consumer is not the cost the refinery gets. The refinery sells the refined product to the wholesaler and the trade in wholesale quantities at from 5 to 6 cents a gallon. Whatever the consumer pays in excess of 5 or 6 cents a gallon pays for the labor, transportation, distribution, and taxes. In some States the gasoline tax is 5 cents, in some 6 and some 7 and some 8, and in some even 9 cents a gallon.

Mr. President, if the price of oil should double, it would add only another cent or two to the cost of the refined product. So from my viewpoint there is no excuse from any standpoint for reimposing controls on crude oil and crude oil products.

Mr. President, I shall support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. MOORE], which will be stated.

The CHIEF CLERK. It is proposed to insert on page 6, between lines 6 and 7, the following:

(4) Nothing contained in this act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum and petroleum products processed or manufactured in whole or substantial part from petroleum, unless the Price Decontrol Board established under subsection (h) shall have first determined and certified in writing to the Administrator that the supply of crude petroleum or the particular petroleum product on which price controls are to be imposed or maintained, is insufficient to meet the domestic consumptive demand therefor.

Mr. MOORE. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. Not knowing how he would vote if present, I transfer my pair with him to the Senator from Iowa [Mr. HICKENLOOPER], and will vote. I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS], the Senators from Virginia [Mr. BURCH and Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senators from Rhode Island [Mr. GERRY and Mr. GREEN], the Senator from Illinois [Mr. LUCAS], the Senator from Tennessee [Mr. MCKELLAR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona

[Mr. McFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

On this question the Senator from Texas [Mr. CONNALLY] is paired with the Senator from Tennessee [Mr. McKELLAR]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Tennessee would vote "nay."

If present and voting, the Senators from Rhode Island [Mr. GERRY and Mr. GREEN], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is unavoidably detained.

The result was announced—yeas 40, nays 30, as follows:

YEAS—40

Ball	Hawkes	Russell
Bridges	Hoey	Smith
Brooks	Johnston, S. C.	Stanfill
Buck	Knowland	Stewart
Bushfield	McCarran	Swift
Capchart	McClellan	Taft
Capper	Millikin	Thomas, Okla.
Cordon	Moore	Wherry
Donnell	O'Daniel	White
Downey	O'Mahoney	Wiley
Fulbright	Overton	Willis
George	Reed	Wilson
Gurney	Revercomb	
Hart	Robertson	

NAYS—30

Aiken	Ferguson	Johnson, Colo.
Austin	Gocsett	Kilgore
Barkley	Guffy	La Follette
Briggs	Hayden	Langer
Carville	Hill	McMahon
Chavez	Huffman	Magnuson

Mead
Mitchell
Morse
Murdock

Murray
Pepper
Radcliffe
Taylor

Tunnell
Wagner
Walsh
Young

NOT VOTING—26

Andrews
Bailey
Bilbo
Brewster
Burch
Butler
Byrd
Connally
Eastland

Ellender
Gerry
Green
Hatch
Hickenlooper
Lucas
McFarland
McKellar
Maybank

Myers
Saltonstall
Shipstead
Thomas, Utah
Tobey
Tydings
Vandenberg
Wheeler

So Mr. MOORE's amendment was agreed to.

Mr. WHERRY. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. MOORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. TAFT. Mr. President, I send to the desk and now offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The Chief Clerk proceeded to state the amendment.

Mr. TAFT. Mr. President, I should like if possible to withdraw the amendment, because the Senator from New Jersey [Mr. HAWKES] has an amendment which he would like to offer tomorrow on the reconvening of the Senate.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment.

Mr. TAFT. I withdraw the amendment at the present time.

Mr. KNOWLAND. Mr. President, if there are no other amendments to be offered at this time, I have an amendment which I should like to offer.

Mr. TAFT. Mr. President, I ask that my amendment may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and will lie on the table.

Mr. BARKLEY. Mr. President, was the Senator from Ohio referring to an amendment submitted by the Senator from New Jersey?

Mr. HAWKES. Mr. President, I am not ready to offer my amendment tonight, but I shall be ready to offer it tomorrow noon.

Mr. BARKLEY. Mr. President, I wonder if the Senator from California would abstain from offering his amendment until tomorrow?

Mr. KNOWLAND. Yes, I will do so.

Mr. BARKLEY. I should like to confer with the Senator about it before it is offered, if it is agreeable to him.

In view of the fact, Mr. President, that the Senator from Ohio is not offering his amendment now, and if he had offered it, I would pursue the same course I propose to take now, because the amendment will involve some discussion, and in view of the fact that the Senator from New Jersey is not offering his amendment now, and in view of the further fact that the Senator from California has deferred offering his amendment—

Mr. TAFT. Mr. President, I had forgotten that I told the Senator from New Jersey that I would be glad to withdraw my amendment, so he could offer his amendment first, because his amendment will not take very long to consider. I will then offer my amendment after his amendment is considered.

EXECUTIVE SESSION

Mr. BARKLEY. In view of all the circumstances, I shall not hold the Senate any longer. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. GEORGE:

From the Committee on Finance:

Jacob C. Wagner for promotion in the Regular Corps of the United States Public Health Service.

From the Committee on Foreign Relations:

J. Leighton Stuart, of New York, to be Ambassador Extraordinary and Plenipotentiary to China;

Robert Butler, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary to Australia;

Harold H. Tittmann, Jr., of Missouri, now a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Haiti; and

Joseph F. McGurk, of New Jersey, now Ambassador Extraordinary and Plenipotentiary to the Dominican Republic, to be Ambassador Extraordinary and Plenipotentiary to Uruguay.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES MARSHALS

The legislative clerk read the nomination of William T. Mahoney to be United States marshal, division No. 1, district of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Stanley J. Nichols to be United States marshal, division No. 4, district of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas P. O'Donovan to be United States marshal for the northern district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Eugene J. Smith to be United States marshal for the eastern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE NAVY

The legislative clerk read the nomination of Harold G. Bowen to be vice admiral in the Navy, for temporary service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

Without objections, the President will be notified forthwith of all nominations this day confirmed.

That concludes the calendar.

UNANIMOUS-CONSENT REQUEST FOR LIMITATION OF DEBATE ON HOUSE JOINT RESOLUTION 371

Mr. BARKLEY. Mr. President, may I have the attention of the Senate for a moment? As in legislative session, I ask unanimous consent that during the further consideration of the pending legislation, no Senator shall speak more than once or longer than 1 hour on the joint resolution or any amendment thereto.

Mr. O'DANIEL. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 8 o'clock and 19 minutes p. m.) the Senate took a recess until tomorrow, Thursday, July 11, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 10 (legislative day of July 5), 1946:

ASSISTANT SOLICITOR GENERAL OF THE UNITED STATES

George Thomas Washington, of the District of Columbia, to be Assistant Solicitor General of the United States, vice Hon. Harold William Judson, resigned.

JUDGE, JUVENILE COURT FOR THE DISTRICT OF COLUMBIA

Hon. Fay L. Bentley, of the District of Columbia, to be judge of the Juvenile Court for the District of Columbia. (Judge Bentley is now serving in this post under an appointment which expires August 12, 1946.)

UNITED STATES MARSHALS

Gilbert Mechem, of Utah, to be United States marshal for the district of Utah. (Mr. Mechem is now serving in this office under an appointment which expired March 23, 1946.)

Ford S. Worthy, of North Carolina, to be United States marshal for the eastern district of North Carolina. (Mr. Worthy is now serving in this office under an appointment which expired May 6, 1946.)

Albert A. Sanders, of Wyoming, to be United States marshal for the district of Wyoming. (Mr. Sanders is now serving in this office under an appointment which expired February 25, 1946.)

COLLECTOR OF CUSTOMS

William Jennings Bryan, Jr., to be collector of customs for customs collection district No. 27, with headquarters at Los Angeles, Calif. (Reappointment.)

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the United States Public Health Service:

TO BE SENIOR ASSISTANT SCIENTISTS, EFFECTIVE DATE OF OATH OF OFFICE

Clyde M. Berry
Lewis J. Cralley
Dohrman H. Byers

IN THE NAVY

The following-named officers for appointment in the United States Navy in the corps, grades, and ranks hereinafter stated.

The following-named officers to the ranks indicated in the line of the Navy:

(Asterisk (*) indicates officers to be designated for EDO and SDO subsequent to acceptance of appointment)

TO BE LIEUTENANT COMMANDERS

*Thomas F. Cullen *Berwick B. Lanier
Charles F. Hooper *John S. Mosher
Paul Jackson

TO BE LIEUTENANTS

Harold R. Badger Albert C. Thompson
Albert A. Campbell Henry P. Wright, Jr.

TO BE LIEUTENANTS (JUNIOR GRADE)

Charles V. Allen *George B. McManus
Robert S. Brookings 2d Edmond B. Pugsley
Charles M. Brower Alexander L. Redon
*Burl H. Bush Nelson D. Salmon
Matthew V. Carson James C. Skorcz
Louis A. Harrison, Jr. Bryan H. Smith, Jr.
Henry L. Haskell *Richard H. Tenney
Edward E. Havlik James G. Thorburn,
William G. Holly Jr.
Robert C. Joerg 3d Franklyn W. C.
Francis W. Larson Zwicker
Roderick K. MacLean

TO BE ENSIGNS

William H. Abram George S. Bryan, Jr.
Peter V. Agur Emmitt "C" Burleson
*Willard F. Allbright Edwin "F" C. Cain
William "Y" Allen, Jr. Thomas R. Caldwell
Leroy V. Aitz, Jr. John C. Callahan
*Frank W. Anders Moreno J. Caparelli
Nello D. S. Andrews Grayson R. Carey
Herbert S. Angell Carl Carmichael
Woodbury Appleton Charles D. Castelli
Alfred H. Bannsen, Jr. Joseph L. Chandler
Keith E. Bailey Lowell D. Chansler
Walter I. Baldwin, Jr. Wilburt J. Chiapella
Bruce M. Barackman Oren R. Christian
Charles L. Bardwell Boyers M. Clark, Jr.
William H. Bargeloh, Jr. Richard M. Clark
Howard F. Barrett Floyd K. Clymer
Carl F. Barron *Hilbert S. Coffield
Stirling W. Bass, Jr. Walter C. Cole
William C. Bates William E. Collins, Jr.
Arden E. Baughman Warren M. Cone
Kenneth E. Bean *Ralph E. Cook
Charles E. Beck Robert F. Cooper
Ernest G. Beinhart Thomas A. Cosgrove
Ralph G. Belles Lynn J. Cornie
Frank P. Benson Alan R. Cotariu
Floyd J. Bertoglio Marion L. Courtney
Joseph Bigger Paul G. Cowan
Sylvain F. Biltz, Jr. Arthur G. Crawford
George Birdt Joseph W. Crawford,
Wilbur C. Bishop Jr.
Morton N. Black Emory H. Creasman
Emmit W. Blackburn Richard E. Cross
Alfred F. Blair Jack S. Crumley
Reginald A. Blakely Vernon H. Cupp
Alva L. Blanks *Robert I. Curtis
Edward X. Blaschka Victor E. Dahn, Jr.
Robert O. Bodell William A. Dallis
Joseph G. Bogdan Claude W. Dampier
Logan A. Bolon Dan A. Dancy
Joseph Borlotti Allen L. Daniels
*William B. Bowie Frank H. Dauer
Paul A. Boyle Orel A. Davidson
Gordon D. Bradberry Bradford J. DeCoux
Robert J. Brazzell Francis W. Deily
Merrill J. Brink George K. Demas
Harvey R. Britt George E. Dennis
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James P. Drake
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*Morton A. Prager

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 10 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MOORE to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: Beginning with line 14 on page 33, strike out down through and including line 20 on page 34, and insert in lieu thereof the following:

- 1 SEC. 18. The provisions of this Act shall take effect
- 2 upon the date of its enactment, and nothing contained herein
- 3 shall be construed to make effective, during any period prior
- 4 to such date, any provision of the Emergency Price Control
- 5 Act of 1942, as amended, or the Stabilization Act of 1942,
- 6 as amended.

AMENDMENT

Intended to be proposed by Mr. Moore to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 10 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

79TH CONGRESS
2^D SESSION

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 10 (legislative day, JULY 5), 1946
Ordered to lie on the table and to be printed

AMENDMENTS

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. ROBERTSON to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: Strike out all after the resolving clause and insert in lieu thereof the following:

- 1 That the provisions of the Emergency Price Control
- 2 Act of 1942, as amended, and all regulations, orders, price
- 3 schedules, and requirements thereunder, are hereby revived
- 4 and reenacted with respect to the establishment and main-
- 5 tenance of maximum rents, and shall continue in effect until
- 6 June 30, 1947, or until the date of a proclamation by the
- 7 President, or the date specified in a concurrent resolution

1 by the two Houses of the Congress, declaring that the
2 further continuance of the authority granted herein is not
3 necessary in the interest of the national defense and security,
4 whichever date is the earlier; except that as to offenses
5 committed, or rights or liabilities incurred, prior to such
6 date, the provisions of such Act, as extended, and such
7 regulations, orders, price schedules, and requirements shall
8 be treated as still remaining in force for the purpose of
9 sustaining any proper suit, action, or prosecution with respect
10 to any such right, liability, or offense.

11 SEC. 2. (a) (1) The provisions of this joint resolution
12 shall take effect as of June 30, 1946, and (2) all regulations,
13 orders, price schedules, and requirements under the Emer-
14 gency Price Control Act of 1942, as amended, with respect
15 to the establishment and maintenance of maximum rents
16 which were in effect on June 30, 1946, shall be in effect
17 in the same manner and to the same extent as if this joint
18 resolution had been enacted on June 30, 1946, and (3) any
19 proceeding, petition, application, or protest which was pend-
20 ing under the Emergency Price Control Act of 1942, as
21 amended, on June 30, 1946, with respect to the establish-
22 ment and maintenance of maximum rents shall be proceeded
23 with and shall be acted on in the same manner and to the
24 same extent as if this joint resolution had been enacted on
25 June 30, 1946.

1 (b) In any case in which such Act or any regulation,
2 order, or requirement thereunder prescribes any period of
3 time within which any act is required or permitted to be
4 done with respect to the establishment and maintenance of
5 maximum rents, and such period had commenced but had
6 not expired on June 30, 1946, such period of time is hereby
7 extended for a number of days equal to the number of days
8 from July 1, 1946, to the date of enactment of this joint
9 resolution, both inclusive.

10 (c) No act or transaction with respect to the establish-
11 ment and maintenance of maximum rents occurring sub-
12 sequent to June 30, 1946, and prior to the date of enactment
13 of this joint resolution shall be deemed to be a violation of
14 such Act or of any regulation, order, price schedule, or
15 requirement thereunder.

Amend the title so as to read: "Joint resolution extend-
ing the effective period of the Emergency Price Control
Act of 1942, as amended, with respect to the establishment
and maintenance of maximum rents until June 30, 1947."

AMENDMENTS

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. ROBERTSON to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 10 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

79TH CONGRESS
2D SESSION

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 10 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. TAFT to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 25, strike out lines 9 to 25, inclusive, and on page 26, lines 1 to 22, inclusive, and insert:

1 SEC. 6 (a) For the purposes of this section the base
2 period shall be the calendar year 1940, or in the case of an
3 industry customarily keeping its accounts on a fiscal year
4 basis, the industry's fiscal year 1940.

5 (b) In order that adequate general price levels shall be
6 established for all commodities to bring about maximum pro-
7 duction and employment, no maximum prices shall be estab-
8 lished or maintained for any product of a producing, manu-

1 facturing, or processing industry which do not return on the
2 average to the industry not less than the average dollar price
3 of such product during the base period, plus the average in-
4 crease in cost of producing, manufacturing, or processing the
5 same accruing since the base period.

6 (c) For the purpose of determining costs under this
7 section, currently or for the base period, the Administrator
8 shall ascertain the costs of a reasonable number of typical
9 producers, manufacturers, or processors and shall follow
10 accepted methods of accounting and such fair and reasonable
11 methods of calculation as he shall establish by regulation.

12 (d) Maximum prices established hereunder shall not
13 be held invalid on account of their failure to return his costs
14 to any particular member of any group involved.

15 (e) Nothing herein shall nullify the power of the
16 Administrator to make reasonable adjustments and exceptions
17 in individual cases under the provisions of section 2 (c) of
18 this Act.

AMENDMENT

Intended to be proposed by Mr. Tamm to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

July 10 (legislative day, July 5), 1946

Ordered to lie on the table and to be printed

DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 12, 1946
For actions of July 11, 1946
79th-2nd, No. 135

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HIGHLIGHTS; Senate debated price-control measure, rejected Taft cost-plus amendment, agreed to McClellan amendment to require ceilings on forestry products to permit 90% of producers to recover costs. Both Houses agreed to conference report on omnibus flood control bill. Senate passed measure to prohibit disposal of most synthetic rubber plants pending study. Sen. Wiley announced that he will move to consider President's reorganization plans today. Sen. Wherry discussed meat-grain situation, indicating belief that price increases have been reasonable and supply is better. House received conference report on bill to slow liquidation of rural-rehabilitation projects. House further insisted on Elliott amendment to exclude packing and canning employees from NLRB.

SENATE

- 1. PRICE CONTROL.** Continued debate on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts (pp. 8742-82). Rejected, 40-40, the Taft amendment providing a cost-plus pricing formula with a 1940 base (pp. 8758-78). Agreed to the McClellan amendment to provide that maximum prices of forestry products shall permit producers of at least 90% of such products to recover current costs (pp. 8779-82).
- 2. FLOOD CONTROL.** Both Houses agreed to the conference report on H. R. 6597, the omnibus flood-control bill (pp. 8739, 8786-7). This bill will now be sent to the President.
- 3. RUBBER.** Passed without amendment S. J. Res. 174, prohibiting WAA from disposing of synthetic-rubber plants costing the Government over \$5,000,000 until 6 months after an OWMR report to Congress on establishment of a rubber program to protect against complete dependence on foreign sources; exceptions to this provision are provided in the case of certain plants (pp. 8736-7).
- 4. REORGANIZATION.** Sen. Wiley moved consideration of S. Con. Res. 64, 65, and 66, to disapprove the President's reorganization plans, but withdrew it until today, at the request of Majority Leader Barkley, with the thought that action on the price-control measure may be completed today (pp. 8738-9).
- 5. MEAT AND GRAIN SITUATION.** Sen. Wherry, Nebr., discussed this matter, indicating his belief that price increases since July 1 have not been unreasonable and that the supply situation is better (pp. 8739-42).
Sen. Tunnell, Del., quoted meat-price increases and said cattle "are coming in for a reason" (p. 8739).

6. FORESTRY. Both Houses received from this Department proposed legislation to facilitate and simplify the work of the Forest Service. To Senate Agriculture and Forestry Committee and House Agriculture Committee. (pp. 8735, 8859.)
7. OWMR REPORT on the production and price-control situation, etc., was received (p. 8735).
8. PURCHASING. Received from the President "a proposed provision pertaining to the General Supply Fund, Procurement Division." To Appropriations Committee. (p. 8735) (S.Doc. 239)
9. FWA APPROPRIATION. Received from the President a supplemental appropriation estimate of \$100,000,000 for FWA (no purpose shown in Record) (S. Doc. 238). To Appropriations Committee. (p. 8735.)
10. EXPORT CONTROL. Received a letter from the Commerce Department "relating to the administration of the export control law during the next fiscal year." To Appropriations Committee. (p. 8735.)

HOUSE

11. RURAL REHABILITATION. Received the conference report on S. 704, to authorize the Secretary to continue administration of and ultimately liquidate Federal rural rehabilitation projects (p. 8787). This bill as contained in the conference report authorizes the Secretary to make preferential disposition to veterans of War II and present occupants to whom previous commitments to purchase have been made of the project lands within a three-year period following the effective date of the Act; and eliminates "lands in the so-called water conservation and utility projects," which are operated jointly by this Department and the Department of Interior.
12. LABOR-FEDERAL SECURITY APPROPRIATION BILL. Agreed to the conference report on this bill, H.R. 6739 (pp. 8787-97). The House further insisted on its disagreement to the Senate amendment striking out the so-called Elliott rider which would exclude packing and canning workers from NLRA regulations (p. 8791-7).
13. TREASURY-POST OFFICE APPROPRIATION BILL. Further insisted on its disagreement to the Senate amendment to this bill, H.R. 5452 (pp. 8797). The amendment in disagreement raises the price of silver to 90.3¢.
14. RECLAMATION. The Irrigation and Reclamation Committee reported with amendment H.R. 6876, to authorize Interior to construct the Lewiston Orchards project, Idaho, in accordance with Federal reclamation laws (H.Rept. 2497) (p. 8859).
15. POSTAL SERVICE. The Post Office and Post Roads Committee reported without amendment H.R. 6970, to provide for an air parcel post service (H.Rept. 2498) (p. 8859).
16. MILITARY ESTABLISHMENT APPROPRIATION BILL. Agreed to the second conference report on this bill, H.R. 6837 (pp. 8856-7).
17. BRITISH LOAN. Continued debate on S.J.Res. 138, to authorize a loan to Great Britain (pp. 8799-855).
18. GRAIN SHORTAGE. Received Richmond County, N.Y., and Little Rock, Ark., citizens' petitions opposing use of grain by breweries during the grain shortage (p. 8860).
19. PRICE CONTROL. Rep. White Idaho, urged caution in consideration of price-control continuation and inserted sundry letters for and against OPA continuation (p. 8858).

proportion of the consumer price was 13.40 percent in 1922-24, and only 11.1 percent in September 1942.

However, during the years 1922-24, the bakers obtained an average of 285 pounds of bread from a barrel of flour, compared with an average of 300 pounds of bread from a barrel of flour in September 1942, due to the use of additional other ingredients and a higher moisture content. On the basis of the same conversion in the earlier period as in the latter period—namely, 300 pounds of bread from one barrel of flour—the farmer's portion of the consumer's price in 1922-24 would have been 1.09 cents, compared with 1.03 cents in September 1942, a decrease of 5.5 percent. Also, on that basis, the farmer's proportion of the consumer price in the earlier period would have been 12.9 percent instead of 13.4. The result of this change in the number of 1-pound loaves of bread obtained from a barrel of flour, has been to decrease the domestic consumption of wheat. For example, the United States Department of Agriculture reports that the annual average domestic consumption of wheat for food was 529,291,000 bushels for the period 1921-25; and 490,511,000 bushels for 1940, the latest year for which the statistics are available. This is a decrease of 7 percent. Of course, the population increased during this period. On a per capita basis, the decrease in the average per bushel of wheat consumption was 4.73 bushels in 1923, to 3.73 bushels in 1940.

The average flour cost to the baker was 2.16 cents for a 1-pound loaf of bread in the earlier period, and 1.86 cents in September 1942, or a decrease of 13.9 percent. In 1922-24, the flour cost was slightly more than one-fourth of the price to the consumer for a 1-pound loaf of bread, but in September 1942, it was only one-fifth of the price.

The baker's cost of ingredients, other than flour, increased from 0.92 cent in 1922-24, to 1.06 cents in September 1942, or 15.2 percent. The increase in the cost of ingredients, other than flour, in September 1942 was the result of changes in bakers' formulas, the proportions of milk, shortening, and sugar being increased, and quite recently to the addition of vitamin enrichment.

The baker's combined production and distribution cost also increased, the change being from 3.54 cents in 1922-24, to 3.81 cents in September 1942, or 7.6 percent. One of the principal causes for this increase was the recent more extensive use of wrapping materials, including the practice of double wrapping. This practice was prohibited as a wartime economy measure in January 1943 in Food Distribution Order No. 1.

The greatest change for the two periods was in the retailer's margin, which was 1.38 cents in 1922-24, and 2.09 cents in September 1942, an increase of 63.3 percent. This widening of the retail dealer's margin was largely the result of the intensive striving for retail dealer outlets.

The profits of flour millers increased from 0.08 cent per 1-pound loaf of bread in 1922-24, to 0.11 cent in September 1942, but there was a decrease in the wholesale baker's average profit from 0.65 cent in 1922-24, to 0.45 cent in September 1942.

Mr. AIKEN. It is sickening to have everyone charge the farmer with profiteering when he receives approximately 10 percent of the total cost. What is true with respect to the part of the cost which goes to the farmer in the case of a loaf of bread is also true of other things which the consumer buys. For example, the very best woolen suit in the world could not yield the farmer, at today's high prices, more than \$2.50. There is not more than 3 cents worth of cotton in the best cotton shirt one can buy. Yet, when the price of anything

goes up 25 or 50 percent the farmer inevitably is blamed for it.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The Senator will state it.

Mr. BARKLEY. Is there anything pending before the Senate?

The PRESIDING OFFICER. Nothing except the committee amendment as amended.

Mr. BARKLEY. I think that in the interest of some speed in the consideration of this measure, if there are any further amendments to be offered Senators ought to begin offering them.

Mr. HAWKES. Mr. President—

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. MAGNUSON. Mr. President, I should like to ask the Senator from Nebraska [Mr. WHERRY] a question.

I did not hear all the Senator's speech regarding meat. The Senate has already voted on the question. The Senator from Nebraska and I voted differently. According to the newspapers this morning, the price of meat is now the highest in all history. I wonder what predictions the Senator from Nebraska has to make regarding the price, he being an authority on the subject.

Mr. WHERRY. If the distinguished Senator from Washington had been in the Chamber and had heard all of my statement, he would have heard the reports from the 12 principal markets this morning. The bulk of the cattle sold between \$18 and \$21 a hundred. It is true that one of two loads sold for \$23. That is about 50 cents higher than any legal price we know of, since the price ceilings were taken off. That price was received for only a few loads of cattle, consisting of the fancy grade of prime beef. Unless the Senator has eaten at a hotel, he has not had such meat for a year and a half. Prices on the bulk of the cattle are no higher than they were yesterday. There were 36,200 head of cattle, or 62 percent more than the receipts for the same day a year ago, and 40 percent more than were received a week ago.

Mr. MAGNUSON. Mr. President, I wish to say to the Senator that I prefaced my remarks by saying that I did not hear all the Senator's statement.

Mr. WHERRY. Yes; I appreciate that. I read the complete detail. One of the reasons I did so was because the Senator from Delaware raised the very question which the Senator from Washington has raised. I expect that each day on the floor of the Senate some Senator will call attention to a black market price or to an isolated case of some chiseler who is going to raise the price away up, and that the fear peddlers will continue to yelp about the high prices of food.

But the fact is that if we examine the figures for the principal markets, we find that meat has not increased in price. It is not any higher than it was a week ago, and we are getting 107 percent more meat than we were getting a week ago.

Mr. MAGNUSON. How much is the price over the ceiling price?

Mr. WHERRY. The ceiling price for prime cattle at Chicago is \$18 a hundred,

as the Senator well knows. The bulk of the cattle, about 90 percent, was selling at from \$18 to \$21 a hundred, which is an increase of approximately \$2 a hundred, or approximately 2 cents a pound. I grant that. I am not saying that is not so. But there are exceptional cases of some chiseler who pays a high price to help out the black market racketeers who want to have price control continued. Then they say, "Oh, this is the price of meat. Is not that terrible?"

We had a similar situation yesterday in respect to bread and flour. Just before the amendment was voted on, in came a suggestion by the distinguished Senator from Alabama, who referred to some letter from someone in Pennsylvania, not even his own constituent. I do not know who the man was, or whether he ever handled flour. Perhaps he did; we shall give him the benefit of the doubt.

But the Department of Agriculture announced yesterday, and authorized me to say on the floor of the Senate today, that the price of wheat has not gone up more than 15 cents a bushel any day since the price ceilings were removed. Think of that. Wheat is going into the market and feed is going into New England.

I ask the Senator from Vermont whether that is correct.

Mr. AIKEN. That is true.

Mr. MAGNUSON. The price of meat is now above the ceiling price, although I do not have the figures. Does the Senator venture the prediction that it will go up or come down?

Mr. WHERRY. I cannot guess about the markets any more than the Senator from Washington can. There is a great demand because of the inflation. Under this administration more than \$200,000,000 has been put up under deficit spending for purchasing power. I suppose that today there are people who are eating meat and drinking milk who never did before to such a great extent. I am glad they are. But because of that fact, there will be a stronger demand for meat and bread and milk. Because of that, we want to bring about increased production. The figures show that as compared with a year ago, in excess of 100 percent more meat is going to the market than under the Bowles' plan.

Mr. HAWKES. Mr. President, I am very heartily in favor of what the distinguished Senator from Nebraska has been saying, but I should like to begin my remarks, inasmuch as I have the floor.

Mr. MAGNUSON. I thought the distinguished Senator from Nebraska had the floor.

Mr. HAWKES. No; I have had the floor. I have had it all along. Perhaps that was not apparent, but I have had the floor.

Mr. MAGNUSON. Perhaps the Senator from New Jersey will make a prediction.

Mr. LUCAS. Mr. President, I call for the regular order.

Mr. HAWKES. Mr. President, I will make this prediction: It takes more than one swallow to make a summer, and it takes more than one day to find out whether the American system can go

back into operation. Does the Senator from Nebraska agree to that?

Mr. WHERRY. Yes, sir.

Mr. HAWKES. The Senator and I have never predicted that we would go from where we are to where we want to go in 1 day or 1 week or 1 month, but we have predicted that this is the time to begin to go back to where we should be.

Mr. WHERRY. Yes, sir. And let me say, too, that if we go back now, we shall fill every meat counter in the country, and the result will be that we shall have more meat than we have now.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HAWKES. Mr. President, I prefer to continue with the discussion of my amendment.

The PRESIDING OFFICER. The Senator from New Jersey refuses to yield.

Mr. HAWKES. Does the Senator from Connecticut wish to ask a question? If he will not start my friend the Senator from Nebraska upon a long dissertation, I shall yield.

Mr. McMAHON. I thank the Senator. The Senator from New Jersey has observed that it takes more than one swallow to make a summer. I predict that if prices increase as they have been increasing in the last few days, if the American consumer gets more than one swallow, I shall be surprised.

Mr. HAWKES. Of course, the Senator from Connecticut is entitled to make his prediction, and I am entitled to believe what I believe. I still believe in the American system and I still have faith in the business men of this country and the people who are in the meat business, and I believe they will do everything within their power to bring about such a situation that the people will get meat at a fair price, as related to all other prices.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. HAWKES. Mr. President, I offer my amendment which lies at the desk and has been printed. I desire to modify the amendment, and I send the modification to the desk and ask that it be stated.

The PRESIDING OFFICER. The modification of the amendment will be stated.

The LEGISLATIVE CLERK. At the end of the amendment, change the period to a colon and insert the following: "Provided, That whenever any State, or political subdivision thereof, has established provisions for the control and regulation of the rent of housing accommodations within its boundaries and notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended and extended, and no regulations, orders, or requirements thereunder (except as to offences committed, or rights or liabilities incurred, prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall

be applicable within such State or political subdivision, as the case may be."

Mr. HAWKES. Mr. President, that modification of my amendment is made on the basis of the philosophy in which I believe, namely, that the people in a State, the local people, or the people in a municipality know the needs of their people better than any one located in Washington can ever know them. If and when the States or the local municipalities adopt a rent-control law, I think they should take over the matter. For that reason I have made that modification of my amendment.

Mr. President, I have offered this amendment after careful thought. The main part preceding the modification reads as follows:

The Administrator shall authorize an increase of 5 percent, effective on and after the date of enactment of the Price Control Extension Act of 1946, in the maximum rent in effect on June 30, 1946, in all defense-rental areas. On November 30, 1946, the Administrator shall authorize a further increase of 5 percent in the maximum rent in effect on that date in all defense-rental areas. On March 31, 1947, the Administrator shall authorize a further increase of 5 percent in the maximum rent in effect on that date in all defense-rental areas.

There is a difference of opinion among those who are vitally interested in holding down the cost of living regarding this proposal. Some legislators wish to provide for a rent increase of 10 percent now. Some legislators would like to have a 15-percent rental increase. Others think as I do, namely, that a graduated scale of increase to take care of the deferred maintenance, which has been put off from time to time for a long period until, in many cases, hazards are involved, is a better plan. The reason for the proposal for a 5 percent increase on November 30, added to the other 5 percent, is that as November approaches, the heating program begins, and the landlords' expenses go up.

No group of people in our American life, so far as I know, have been left tied to the post, as against increasing wages and increasing costs of everything that goes into the maintenance of apartments and dwelling houses, in the way that the landlord owners of dwelling houses rented for living purposes have been. I think all of us must appreciate that the building of homes is just as much a matter of business choice as any other business which exists in the United States. I did not happen to choose to go into the business of building apartment houses for rental purposes, and I am very glad I did not, considering what the status of that business has been during the past few years. The owner of rented property is either beset with 70-percent occupancy, or when he gets 100-percent occupancy he is beset with rent controls and various other costs and expenses which keep him from making the return on the investment which it is necessary to make in order to persuade people to engage in that business. I ask my friends in the Senate, How may we expect to induce private enterprise to go into the business of building homes which are so sorely needed? We talk about obtaining the necessary homes. Even the laws which

have been proposed for the purpose of subsidizing the building of homes, definitely state that we are looking to private capital and private enterprise, or free enterprise, whatever it may be called, to build more than a million homes a year.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. MILLIKIN. I should like to say to the distinguished Senator from New Jersey that the testimony before the Banking and Currency Committee with reference to what the increase should be averages just about the same as the percentages which he proposes. I should like to congratulate the Senator for his courage in offering this amendment. It is said that there are more tenants than there are landlords, and, therefore, it is political poison to urge any justice for the landlords. I assert that a government which maintains controls or any kind of benefit for any particular group out of the hides of another group is not an American government but, instead, is a tyrant. I congratulate the Senator on his amendment, and I shall support it.

Mr. HAWKES. I thank the Senator. I should like to say that this subject is a political hot potato. But when a political hot potato has justice tied to it, I am willing to take the political hot potato and try to solve its problem. I do not believe that we will ever solve the problems of the United States by putting all of them on the doorstep of one group.

Mr. MILLIKIN. Mr. President, will the Senator yield further to me?

Mr. HAWKES. I yield.

Mr. MILLIKIN. I should like to say that, in my opinion, the political poison of this situation has been vastly overrated. I believe that most tenants are fair minded and know that in the last 4 or 5 years the landlord has had to meet increased expenses and, on the whole, has not made any profit out of his property ownership. I believe that those who make the political poison argument overestimate the unfairness of the tenant. I think that many tenants will readily acknowledge that a limited increase in rents is fair. I believe, also, that the increases proposed by the Senator are increases of that kind.

Mr. HAWKES. I may say to the distinguished Senator from Colorado before he leaves the Chamber that I thoroughly endorse everything he has said. I believe in the fairness of the American people, and, before I am through, I shall show that many persons with small earning capacities recognize the unfairness which has been done to those who have invested their money in property for rental purposes. I have been told repeatedly by many of them that they are willing to pay a reasonable advance, which will be in keeping with the proposal which I am urging. But they want to be protected against being required to pay a tremendous advance all at once which they will be unable to absorb.

Mr. MILLIKIN. Mr. President, I should like to add one more observation in line with the Senator's suggestion that, after all, this is not a national but a local problem. In the city of Denver, for example, which is a war defense area

where living conditions are overcrowded; the local government is taking steps to establish its own rent control and, as I understand, it will allow an initial 5 percent increase in rents. I have not heard any substantial objection to such increase.

Mr. HAWKES. I thank the Senator from Colorado.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. TOBEY. I merely wish to give the Senator from New Jersey a little encouragement. I may say to him that after 40 years of experience in house-keeping, some of which has been in the kitchen, I have learned that hot potatoes cool off in due time. So I urge him to keep up his good work.

Mr. HAWKES. I thank the Senator for his admonition.

Mr. President, I should like to have the Members of the Senate bear in mind that the enterprise to which I have referred is a business. It is not something separate and apart from our American free-enterprise system, or our American way of making a living. Millions of our best citizens have made property ownership and the rental thereof their legitimate business. As I said before, I did not happen to choose that type of business, but, nevertheless, the people who did choose it are entitled to justice and equity from the Congress just as any other business in the country is entitled to it. In my opinion property owners have not received justice from the Congress, nor have they received fair treatment at the hands of the Office of Price Administration.

I should like to invite the attention of the Senate to the fact that life insurance itself, which has 70,000,000 policyholders in our great America, depends on the free-enterprise system to make the returns which are necessary in order to continue in business. Life-insurance companies are tremendously interested in rental properties. They have invested many millions of dollars in them, and in many cases they are not able to make a return which, after paying the expenses, is anything near 3 percent. In many cases they have tremendous deferred expenses still to pay, and to look forward to.

The ablest directors of rental property, outside the life-insurance companies, have in many cases found that it is impossible to make a sufficient return to justify any further investment in that part of our free-enterprise system. The latest figures of the insurance companies show, as I stated a moment ago, that there are 70,000,000 policyholders in the United States, exclusive of national service life insurance which, of course, is conducted by the Government.

Mr. President, do we have any right to destroy the prospects under the American system of making a fair and just return on this great industry which involves an investment of upward of \$69,500,000,000? I ask Senators to bear that figure in mind—\$69,500,000,000 has been invested in homes and apartments for purposes of rental to our citizens in the United States. That investment is

owned by 8,200,000 of our inhabitants. Regardless of any political implications, we must try to do justice to that tremendous group. Congress should agree to keep down living costs as much as it can, in fairness and justice to all. In doing so, our objective should be to mete out justice fairly and equitably to all groups without practicing injustice and discrimination against any.

Mr. President, the problem of rents is a political one. I have talked with many Members of Congress, and they all agree that this problem should be adjusted. I have talked with Members of Congress in both the Democratic Party and the Republican Party. They all agree that a great injustice is being done to this group of 8,200,000 people in our American society, but they do not want to touch it now because an election is approaching in November. I ask, Mr. President, what does an election have to do with justice? I hope that I shall never see the day when I will have to put off justice because I must go to the polls. I know that it is a popular thing to do, but I hope that I shall never see the day when I do it.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. MOORE. Did the Senator give figures pertaining to the number of persons who had made investments in rental properties throughout the country?

Mr. HAWKES. The figure is 8,200,000.

Mr. MOORE. I have received a great deal of mail on the subject, and my experience has taught me that there are great numbers of persons in every community who thought it was proper to make investments in rental properties. Many such persons who are now in middle age, and beyond, depend for their livelihood on the rentals from those properties. Many of them are widows and children who inherited the properties with the hope that they could rely on them to produce incomes for their livelihood. I am sure that many of us will agree that there are many towns and cities in which there has been a decline more or less in property values, and rents have been frozen at a point where a great injustice has been done. The subject is one which certainly merits serious consideration.

Mr. HAWKES. I thank the Senator. I am going to bring that very point out later in my remarks on this subject. I am sure that what the Senator from Colorado [Mr. MILLIKIN] said a few moments ago is true; namely, that the average American citizen wants to do the decent and fair thing. I know of cases of widows of college professors who have had left them buildings containing two or perhaps four apartments as their only means of living, but they are not making enough money out of the apartments in some instances even to pay taxes and improvements and upkeep—indeed, they are deprived of any income on their properties. Why should we put such a load as that on the shoulders of one group, and continually, day after day and week after week, take the burden off other groups? I cannot find any answer in my own mind.

I could cite a vast array of statistics on this subject, but, as the majority leader has said, statistics can be used by either side to prove what it wishes.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAWKES. I yield to the Senator from Oregon.

Mr. CORDON. I am sympathetic with the Senator's presentation of the conditions in which life insurance companies may find themselves in connection with their investments in rental properties. I am sympathetic chiefly because I recognize what some folk sometimes forget, and that is that the money invested in a life-insurance company does not belong to the life insurance companies but belongs to the people who have taken it out of their wages to insure their lives for their own dependents.

What brought me to my feet, however, was not that, but my desire to make an inquiry of the Senator as to what would be the effect of his amendment, if adopted, with respect to rental properties which have been constructed since 1941.

As I understand—and if I am wrong I hope the Senator will correct me—the basis upon which the Office of Price Administration has proceeded in fixing rental ceilings is to take the rent which was charged at what is known as base period, which as I recall was 1941, although I am not certain about that.

Mr. HAWKES. I believe that is correct, but let me say that different dates have been applied by various communities for the imposition of rent controls. Federal rent control, I believe, was inaugurated in 1942, and took a certain period in 1941 as a base; but there are communities that have local rent controls which are based on a date as far back as January 1, 1941.

Mr. CORDON. Of course, as to rents in any area where the base period is identical for all properties, I can fully understand the application of the amendment. Rents would simply be raised 5 percent successively in three raises. But what I have in mind is what would happen with reference to the rental values which have been placed on properties constructed, say in 1943, 1944, 1945, whereas I understand a different procedure necessarily has had to be followed in fixing the maximum rent ceilings. In other words, the ceiling in such circumstances has been fixed by taking into consideration the then cost of construction, maintenance, repairs, depreciation, and so forth. It would appear to me that an inequity might result if a 5-percent increase were given to a ceiling based, say, on 1941 prices and the same increase were applied to the ceilings which have been placed recently based upon recent costs.

Mr. HAWKES. I understand what the Senator has in mind, because I have given this subject much consideration. I will say to the Senator that no law which might be passed can do complete and absolute justice to everyone in connection with matters we have been voting on for a number of years. There is always an exception, and if we try to provide for the exception we will never

get anywhere. I think the Senator will find that in most cases of rental property which has been constructed recently in defense areas, the rate of rent fixed by OPA has been sufficiently low so that in view of increased wages and increased costs in practically all other lines, it will be found that the proposed increase in rentals will be necessary. Remember this is an authorization; it is not a direction. There will be found many landlords who will not raise rents at all if it is not necessary. I believe those engaged in the real-estate and rental business, as well as the owners of rental property, are quite as honorable as any other group in the United States. There are those among them who are not as interested in the welfare of their fellows as others might be, but, overall, they are a pretty fine group of people.

Let me say to the Senator—and this is very important—that, as I happen to know, the life-insurance companies throughout the United States for a great many years have issued policies on which they have guaranteed from 3- to 3½-percent dividends to their policyholders. If they cannot make that dividend, they become badly off; they cannot keep faith with their policyholders; their policies become less attractive; and their financial stability may ultimately become affected.

Mr. CORDON. Mr. President, as the Senator has said, rental business is but another of the many businesses that make up the life of this country; but there are involved in it certain principles in the nature of computations of costs of properties, repairs, taxes, and so forth. Could the Senator help me by any information as to what percentage of rentals generally is deemed to go for current repairs?

Mr. HAWKES. I think that would be somewhat difficult to ascertain because the figures vary in different cases. I presume the figures are available, but I do not have them. I intend to refer to some general costs and comparisons a little later on. I shall be very glad, however, to get the figure for the Senator, if it is available.

Mr. CORDON. I ask the question, if the Senator will indulge me further, because it is very apparent that the cost of repairs of buildings, including residences, apartments, and so forth, increases as the cost of construction increases.

Mr. HAWKES. That is true.

Mr. CORDON. So if the percentage of the rental base which must be used to keep the building in repair and habitable represents any considerable portion of the rental charge it becomes obvious that if the repairs have increased and the cost of maintenance has increased and the rent does not reflect such increases, then there must be a loss sustained by virtue of the extra money which has to be paid out for that purpose, or else the properties themselves must deteriorate and become far less valuable and attractive to the people who use them.

Mr. HAWKES. Before the Senator leaves the chamber—and if he leaves nearly everyone will be gone—I should like to ask him this question, which suggests the best test in the world: If today the Senator had money in the bank and

he was looking for an investment, knowing what he does know about rent control and what has been done to the owners of real property for dwelling purposes, would he think of investing it in a housing program?

Mr. CORDON. If the Senator asks that of me as a question I would answer by saying that I do not know enough about the problem to answer it properly. But I will say that I certainly should not invest money in such an enterprise unless I had reasonable assurance that the money I put in would not be lost either by virtue of the fact that there was no return, or by virtue of the fact that there was not sufficient return to keep the property in livable condition.

Mr. HAWKES. Then let me ask the Senator another question. With the private enterprise system, the American system in force, with rent controls as they are today, and knowing whatever the Senator does know about the situation—and he must know something about it—does he think people with capital in the United States will be induced to build 1,250,000 housing units a year?

Mr. CORDON. I rather think, if that kind of a program is going forward under present circumstances, the Government of the United States will have to go further into the granting of subsidies and guarantee returns, or the buildings will not be erected.

Mr. HAWKES. And thereby fool the people; use the money collected from them in taxes, indirectly, and fool them?

Mr. CORDON. That is true in the case of all subsidies. I am sorry I took the Senator's time, but on that one matter I wanted the Senator's opinion.

Mr. HAWKES. I appreciated the Senator's interruption.

It is proper to note here that the 18-year period from 1921 to 1938, inclusive, which was a business cycle containing as extreme ups and downs as the American people have experienced since we became a government, would seem to be a justifiable period for computation and comparison of rental values and receipts as compared with all other living costs.

Take the average of this period as 100 for par, and the figures of the situation today show that all other costs of living are at 119 percent, as related to this par of 100. Wages are at 140 percent as related to this par. But I call attention to the fact that rents are at 85.4 percent of this par.

Many people seem to think that landlords are all wealthy barons who are sapping the lifeblood out of the people. The truth of the matter is that out of the 8,200,000 individual landlords, there are hundreds of thousands, probably millions, of small landlords, consisting of widows and orphans and aged people who have the money left to them, or the money earned by themselves, invested in rental property.

Millions of these small people put their money into rental property because it is the type of a business which they felt they could run without knowing too much about economics and business principles.

I call the attention of the Senate to the fact that Theodore Roosevelt told the American people there was no safer investment for a widow or orphan, on which to rely for an income on which to live, than in sound improved real estate.

In our study of this situation, let us not forget that we have been paying attention to the fact that all other citizens who are on fixed income should have consideration with the increased cost of living kept in mind. I cannot think of any other group about whom we have not worried.

I ask, why should we chose to give these rental property owners no consideration and to use the agency of Government to depress even that income which they have? Certainly when costs of maintenance have gone up through heavy increases in wages and heavy increases in the cost of all the materials these landlords must buy to maintain properties, when we, through law, force them to accept as rentals on their properties only what they were receiving before these increases, we are doing an injustice. In my opinion, the American people and the representatives of the people cannot afford to permit this injustice to continue.

I have not found that the individual with small income is adverse to giving fair relief to the landlord. What the tenant is fearful of is an uncontrolled advance in rental. I have talked to many of them. I have talked to many people who have small incomes, and what they are fearful of is uncontrolled advances in rentals. They are not worried about an advance of two or three dollars a month, but about an advance of twenty-five to fifty dollars a month.

As I have said, I have talked with many people in the small-income brackets, and they recognize the injustice to the landlord. I talked to the caddy master at the Montclair Golf Club last Sunday, and he said he thought it was only fair that he should pay an increase in rent of six to seven dollars a month, in view of all the conditions, and he was perfectly willing to do it. He is on a rental basis of about \$40 a month now.

The 5 percent that I am suggesting at the date of enactment of this law would raise his rent \$2 a month. The 5 percent which would become effective November 30 would raise his rent another \$2, and the 5 percent which would become effective March 31, 1947, would raise his rent another \$2. This is in keeping with the tenant's own ideas of equity, and if my amendment were enacted it would prevent his landlord from raising the rent in an uncontrolled market \$20 or \$25 a month at one jump.

There are 17,591,000 rental dwelling units in the United States. This means that the rental dwelling units amount to nearly half of the total of 37,600,000 dwelling units in the United States.

The best estimate is that if this amendment of mine is enacted, and the five, five, and five increase goes into effect, the rent from 24 percent of the total dwelling rental units will be raised an average of \$2 a month by each increase, which will mean that on and after March 31, 1947, the average rent on 84 percent

of all the rental dwelling units in the United States will be raised less than \$7.

I do not wish to go into too many statistics, but in the report from the Bureau of Census of the United States Department of Commerce, issued by Henry A. Wallace, Secretary of Commerce, under date of May 16, 1946, it shows that the average rent in the cities of the United States on so-called urban districts was \$30.25 in the year 1945. The average rent in the rural, nonfarm districts was \$15.60. These two put together make an average rent of \$27.88, according to the Bureau of Census, Department of Commerce.

Certainly these figures are just as applicable now, because there have been no changes in rents since 1945.

The situation existing cannot go on without impeding the housing program, which we all consider so vital for the veterans and others requiring housing units. Out of hundreds of thousands of requests for authorization to increase rents because of hardship cases, which the amendments passed by the Congress in 1944 were presumed to take care of, I am informed that in May 1946 between 5,500 and 6,000 slight increases for relief had been granted on a hardship basis.

OPA claims that relief has been granted in 780,000 cases, but investigation into the facts will show that in all cases beyond the 6,000 referred to, the relief was only given because the landlord furnished additional facilities, such as new refrigeration or other things not contemplated at the time the lease was made. This gave no relief to the landlord. It simply replaced the cost of something additional he was furnishing to the tenant.

Now let us be practical and look facts squarely in the face. Is there a man in the Senate who would take his hard-earned savings and invest them in building dwelling units for rent under the conditions Congress has forced upon the owners of renting properties in the United States? I know I would not, and I am pretty certain that no one here would do it for any other purpose than charity.

I say again, let us be practical. Do we really want to bring decent dwelling units into existence for the veterans and the people who are clamoring for homes? We passed a housing bill and appropriated hundreds of millions of dollars to help this program. What right have we to vote the taxpayers' money out to do this with our right hand while with our left hand we are stymieing and stifling the production of rental units by free enterprise in the United States?

I quote from page 7 of the committee report on S. 1592, the Wagner-Ellender-Taft bill:

The bill not only talks about stimulating and encouraging private enterprise, but also acts in that direction—

This is what the committee says—the bill leaves about nine-tenths of the field, or well over a million and a quarter houses a year, to be built by private enterprise.

Now, Mr. President, I want to ask: What right have we to hope that private enterprise will build nine-tenths of the dwelling units required by the people of

America if we make it impossible for those investing their money under the private-enterprise system to get any kind of a return on their investment. It simply does not make sense to me. No free people have ever functioned successfully when their government has destroyed reward as an incentive to accomplishment.

In closing I wish to assure the Senate that the American way of making a living, or the way a free people have chosen to make a living, will not function if the Government administers justice only in spots and is willing to place the hardship for any given emergency situation on the doors of certain factors in that system. We must find a fair balance in equity, and the owner of dwelling units for rent is entitled to the relief I am requesting in my amendment.

Remember that the many widows of professors and educators, some widows of former representatives of the people in government, the widows and orphans of many of our best citizens look to the renting business as their means of livelihood. I request each Member of the Senate to ask himself if he is satisfied to permit the present situation to continue.

I have asked myself this question, and even though I am not the owner of any rental property in the United States, directly or indirectly, and have no stock or interest in any corporation or partnership which is a renter of dwelling property, I for one shall vote to give this relief in justice to a group of 8,200,000 people in the United States who are entitled to justice, the same as all of our other citizens.

Mr. President, I regret that so many Senators have been compelled to leave the Chamber that there seems to be only a handful who are interested in the preservation of the free enterprise system. It seems to me that there is nothing more important in the OPA measure than the subject which I have been discussing. The absence of Senators from the Chamber at this moment is a lesson to me as an American that the way we are functioning is almost futile, and I am saying to you, Mr. President, and to the few Senators who have seen fit to remain in the Chamber to hear about the plight of 8,200,000 persons who are being mistreated by the Government of the United States and by the Congress, that this lack of attendance gives me more cause to worry about the future than anything I have seen in the 3½ years I have been here. It is a great pity that Senators who have in their States many individuals who live on a fixed income, should disregard this very important amendment which is being offered for the purpose of giving just and fair relief to those citizens. I would feel that I was doing less than my duty if I did not say this. I have no regard for what happens to me politically. I have a regard for keeping faith with my conscience, for being decent and fair in the dealings I enter into and the things I do in the Senate to try to serve the people and find a fair balance in equity between all groups, whether or not they have a great mass of votes and put pressure on us, or whether they remain silently suffering while we fail to do our duty.

Mr. President, I urge the adoption of the amendment, and on that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MOORE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Overton
Andrews	Hoey	Pepper
Austin	Huffman	Radcliffe
Ball	Johnston, Colo.	Reed
Barkley	Johnston, S. C.	Revercomb
Bridges	Kilgore	Robertson
Briggs	Knowland	Russell
Brooks	La Follette	Smith
Buck	Langer	Stanfill
Burch	Lucas	Stewart
Byrd	McClellan	Swift
Capehart	McKellar	Taft
Capper	McMahon	Taylor
Carville	Magnuson	Thomas, Okla.
Donnell	Mead	Thomas, Utah
Downey	Millikin	Tobey
Fulbright	Mitchell	Tunnell
Gerry	Moore	Wagner
Gossett	Morse	Walsh
Green	Murdoch	Wherry
Guffey	Murray	White
Gurney	Myers	Willis
Hawkes	O'Daniel	Wilson
Hayden	O'Mahoney	Young

The PRESIDING OFFICER. Seventy-two Senators have answered to their names. A quorum is present. The question is on agreeing to the modified amendment offered by the Senator from New Jersey [Mr. HAWKES].

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House further insisted upon its disagreement to the amendment of the Senate numbered 7 to the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. WALSH. Mr. President, I should like to ask the Senator from New Jersey a question. Perhaps he has answered it in his presentation. What is meant by the words "defense rental areas"?

Mr. HAWKES. That term is presumed to mean—and I think it does mean—the areas in which rent control has been made effective.

Mr. WALSH. Is the term defined anywhere as a matter of law?

Mr. HAWKES. No; but it is used in the rent-control law, and we have been following that rule.

Mr. WALSH. Is it used in the present OPA law?

Mr. HAWKES. It is.

Mr. BARKLEY. Mr. President, I do not care to take more than a few moments of the time of the Senate. The original Price Control Act contained a provision with reference to rents in certain areas described in the law. That law has been administered with reason-

able satisfaction, I think, during the past 4 years. It was started out well and on a sound basis under the guidance of Mr. Paul Porter, who now is the Administrator, and who at that time was in charge of the rent division of the OPA. I have no doubt that in some instances certain expenses may have increased in the last 4 years with reference to the operation of apartment houses. But there have been no new housing facilities constructed during the last 4 years. In regard to any new housing built since the law was passed, the Administrator is authorized to take into consideration the cost of construction. But, due to the war and to the conditions since the war ended, or since the actual fighting ended, there has been practically no new construction upon which that provision of the law could be operated as a basis. So, for all practical purposes, rental property today is the same property which existed and had been constructed prior to the war and prior to any increases in the cost of construction.

Such increases as have occurred, aside from the possible increases of taxes in some communities—and in some there have been none, because even prior to that they had reached the limit of constitutional authority as to maximum taxes levied for either municipal or State purposes—aside from the possible increases in taxes, which of course we must all contemplate, and that applies to everyone who is on a fixed salary, it applies to us here, and it applies to all the so-called white-collar employees of the United States whose taxes have increased without any particular increase in their compensation, certainly no increase in compensation which is commensurate with the increases in other fields—

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GURNEY. I wish to call to the Senator's attention the fact that my State has a law which provides that when a house or any other real property of almost any kind, such as a barn or residential property or apartments, is constructed, it shall not be taxed the first year. That law was enacted with the purpose of having it serve as an incentive for the construction of new homes and new buildings of all kinds.

In March 1942 rents were frozen. It happens that one rental property in a defense area in my State was built shortly prior to the freezing of rents. Therefore the owner made a profit during the first year, at the end of which time the rents were frozen. Since then the taxes have gone up from \$79 to \$4,000 a year on that piece of property. The owner is now operating it at a loss. He cannot pay the maintenance costs at all. It has been impossible for me to assist him in getting the OPA to look into the matter and make an adjustment which would even pay for the increased taxes, to say nothing of increased maintenance costs.

Mr. BARKLEY. It seems to me that that would be a very extreme case, when local taxes in 4 years would go up from \$79 to \$4,000.

Mr. GURNEY. The tax of \$79 was the tax on the land. Then, a year after the

building was constructed, the increase occurred.

Mr. BARKLEY. Of course, the taxes went up when the owner improved the land by erecting a building upon it.

Mr. GURNEY. That is correct. But then the rents were frozen.

Mr. BARKLEY. But the first year he had no tax on the improvements. Probably South Dakota is the only State in the Union where there is such a provision of law. So the owner was that much better off than he would have been if he had lived in some other State.

Mr. GURNEY. The matter is a little more complicated than that.

Mr. BARKLEY. I do not know how valuable the property is, or whether it is an apartment house.

Mr. GURNEY. It is an apartment house, and he rents the apartments for \$35 or \$38 a month.

Mr. BARKLEY. I imagine it is true in the Senator's State, as it is in most other States, that property for local taxation purposes is assessed at not more than 50 percent of its real value. So if he is paying \$4,000 in taxes, he must have a rather considerable piece of property.

Mr. GURNEY. It contains 100 apartments.

Mr. BARKLEY. That is quite an apartment house.

Mr. HAWKES. Mr. President, I ask the Senator to yield to me for a moment, because I think it is foolish to be talking about what the taxes were. The point the Senator from South Dakota has made is that the owner is running that business venture at a loss. Is not that the point?

Mr. GURNEY. He is renting at a loss; and he has presented his case completely and in detail to the OPA, but the OPA will not consider an increase of any kind.

Mr. BARKLEY. Of course, I think all of us recognize the fact that the Federal Government cannot fix either prices or rents based upon the taxes charged by a local government either upon the property or upon the man's occupation. What is a fair rental and a fair and a just price under the circumstances is the basis of OPA action. If the tax question is taken into consideration, there can be no uniformity at all in rents, either upon the same property or upon similar property. If the whole matter depended upon how much the tax might be, there might be a piece of property of the same kind, with the same number of apartments and the same sized apartments, in one town, and the rent would be a certain amount there on account of the taxes, and in an adjoining city or county the rent on a similar piece of property would be something else, because of a difference in the taxes. I do not see how the question of taxes can be used as a basis for attempting to fix uniform rents or similar rents based upon similar property.

Mr. HAWKES. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. HAWKES. I think the Senator is quite correct, and I am not interested in the question of trying to adjust Federal rent control to local taxes, or anything of that kind. I am speaking about the over-all proposition.

Mr. BARKLEY. I understand that.

Mr. HAWKES. I wish to correct something the Senator said, because I do not agree with him about it at all. He has said that there have been practically no increased costs to the landlord since last year, except possibly in taxes.

Mr. BARKLEY. No; I did not say that.

Mr. HAWKES. That is what the Senator's statement meant to me.

Mr. BARKLEY. The Senator must have misunderstood what I said. I said that aside from the field of taxation, which I did not think we could consider here, there have undoubtedly been increases in the cost of operation of apartment houses. I may not have stated clearly what I intended to state, namely, that in regard to the rental of individual houses there has not been the same amount of increased cost, because there have been very few improvements. It was impossible to obtain lumber with which to repair them or paint with which to paint them. So there was no particular increase in the upkeep of an individual house which was rented. That statement might not apply to an apartment house which had to employ elevator men and other employees, whose pay may have been increased.

Mr. HAWKES. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. HAWKES. I agree with the statement the distinguished majority leader has made, that statistics can be used to prove almost anything; yet I notice that he uses them right along, just as I do, so we are both even on that score. But I wish to say that the records—and I believe the ones I have are correct—show that out of hundreds of thousands of applications to the OPA for relief on rental property, only 6,000 adjustments of rent have been made, except as related to adjustments for increased facilities, such as refrigeration or improved service to the tenant, and such increases do not mean any additional income to the owner of the building. So there have been only 6,000 adjustments out of hundreds of thousands of hardship cases. I am very sorry that the Senator from Kentucky and many other Senators were not here to listen to what I said on the subject of the amendment. I do not know how I can convince anyone who does not hear me.

Mr. BARKLEY. I heard most of the Senator's address.

Mr. HAWKES. No; the Senator from Kentucky missed all of my facts and figures, which are very interesting, I assure him.

Mr. BARKLEY. I have no doubt that they are interesting. The Senator understands why I had to be absent from the Chamber.

Mr. HAWKES. I certainly do understand. I am not criticizing the majority leader for being absent, but I am saying that I know of no way to convince a buyer that I have something to sell him unless he will sit and listen to me.

Mr. BARKLEY. If I were in the market to buy something and were interested in the quality of it or the price of it, I would listen.

Mr. HAWKES. I thought the Senator was in the market to buy the opportunity

to serve justice to the American people.

Mr. BARKLEY. I am not in the market to buy the privilege of serving the American people. I am in the market to try to serve them to the best of my ability. That is what I am attempting to do at the present time.

Mr. HAWKES. At the salary which the Senator is paid I think he is buying the privilege.

Mr. BARKLEY. That may be. That may be the fault of the Members of Congress. At any rate I do not wish to go into individual cases of hardship. I think it is bad policy for Congress to instruct the Administrator to increase rents 5 percent, 10 percent, or 15 percent. For Congress to pursue that policy would be just as bad, I think, as it would be to instruct the Interstate Commerce Commission what rates should be charged for hauling a piano from New Jersey to Kentucky or for hauling some other article that distance. I know that Congress has the power to regulate such matters, but it has never attempted to exercise it. I think it is a bad approach for the Congress of the United States, on the basis of limited facts available to it, to rely only on hardship cases which are called to its attention and write into the law an instruction that the Administrator must raise rents all over the United States in progressive stages as much as 15 percent.

Mr. HAWKES. Which policy does the Senator believe is the worst, the policy of instructing the Administrator to do justice or the policy of allowing 8,200,000 persons, who have chosen as their business the investment of their capital in rental property, to suffer financially and be tied economically to a post?

Mr. BARKLEY. I do not agree that 8,200,000 persons have been tied to the post and are all suffering. But even if that were true, I would still maintain that, while it is the duty of Congress to undertake to lay down standards of justice to everybody, the Congress is not in possession of all the facts which are necessary to enable it to tell any administrator exactly what is justice in terms and figures, or percentages of increase, with respect either to rents or prices. That is my position.

Mr. TAFT. Mr. President, I wish only to invite attention to one thing. The administration of rents is different from the administration of prices. What was done in every case was this: The Administrator would go into a town when he found rents there were likely to go up or be affected by war conditions, and establish a base period. I believe that April 1, 1940, was the earliest date permitted, but different periods were used in different towns. The act provides that so far as practicable, the Administrator shall give due consideration to the rents prevailing on a certain date. In other words, those rents were frozen under the act. The act provides that the Administrator shall make adjustments for relevant factors such as he may determine and deem to be of general applicability in respect to the conditions, including increases or decreases in property taxes, and other costs within such defense-rental area.

Perhaps it is a sweeping statement to say that the Administrator has never

increased the original base period rents, but I believe that statement is roughly correct. In a great majority of cities he has not increased rents beyond what they were on the date when the rents were first frozen. He has deliberately disregarded the instruction of the Congress to increase the general base rate when it includes increases in other costs. We know that in every city there have been increases in costs of operating properties. So we have a pretty good prima facie case for the presumption that the Administrator has disregarded the law. I believe that fact justifies some action on the part of Congress in declaring that certain general costs have actually occurred.

Mr. TUNNELL. Mr. President, I should like to say a few words in opposition to the amendment as I understand it to be in its present form. In the first place, it requires that there shall be a 5-percent increase effective on and after the date of the enactment of the Price Control Extension Act of 1946. In other words, all rents will be increased 5 percent, or the owner will be permitted to increase them by 5 percent, whether an increase should take place or not.

On November 30, 1946, the Administrator shall authorize a further increase of 5 percent in the maximum rent in effect on that date.

On March 31, 1947, he shall allow an additional 5 percent, or a total of 15 percent. The Administrator is not only authorized but directed by the Congress, regardless of the merits of any particular case. With all due respect to the amendment and its author, I think it is about as unfair an approach to the problem as I have ever seen. However, Mr. President, the proposal is not alone one to permit a 5 percent, 10 percent, or 15 percent increase in rents regardless of the merits involved, but it is a proposal to turn loose 48 State legislatures to work on the problem. As I understand the amendment, it provides that there may be 48 separate standards and regulations established with respect to rentals, and the Administrator is not allowed to interfere at all with the matter in States which have made arrangements to handle the problem. It would be entirely possible that in one State there would be a 100-percent authorization, in another State a 10-percent authorization, in another State a 50-percent authorization, and so on. In other words, the amendment provides for an entire release of all rental control so far as the Federal Government is concerned. It may be that in some States the provision with respect to landlords will be so inadequate that it will result in unfairness to them.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. HAWKES. Do I understand correctly the Senator to say that he has no more confidence in the governors or legislatures of the various States than to believe that they would raise rents 100 percent?

Mr. TUNNELL. I understood the Senator some time ago, during the course of the discussion, to be very much alarmed over what the governors of some

States might do in connection with some matters. I do not want to have any more confidence in them than he has.

Mr. HAWKES. Will the Senator explain to what I had reference?

Mr. TUNNELL. I do not have time to do so.

Mr. HAWKES. I think the Senator will find that if I was ever alarmed over what some governor might do, it was very peculiar.

Mr. TUNNELL. I imagine it was peculiar.

Mr. President, the proposal of the Senator from New Jersey is to remove all control of rents, and take the authority to control them away from the Administrator. The control of prices of meat has been destroyed and the prices are shooting up, notwithstanding what the Senator from Nebraska has told us. Prices of all kinds of commodities are increasing. The situation has now become such that the people of the Nation are alarmed. The pending amendment proposes to release rents from control.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. HAWKES. I am sure the Senator does not want to misrepresent the purpose of the amendment. The amendment is intended to do diametrically the opposite of what the Senator has said.

Mr. TUNNELL. I have no doubt the Senator thinks it is, but I do not believe it is, and I will tell him why. I do not propose that an amendment such as this shall be adopted without a protest.

Mr. HAWKES. That is all right, that is perfectly proper, but I do not want the amendment misrepresented.

Mr. TUNNELL. And I do not want it misrepresented from the Senator's side, either.

Mr. HAWKES. The Senator can read the English language—

Mr. TUNNELL. The English language is not clear to the Senator, apparently, because he was not able to define the language in his own amendment when he was interrogated a few minutes ago.

Mr. HAWKES. That is just a difference of opinion.

Mr. TUNNELL. Here is a proposal to attack the control of rentals, and, instead of permitting the director to have anything to do with the matter, he is directed in all cases to raise the rentals three times by March 31, 1947. I emphasize the word "directed."

What is the use of having a director? Why did not the amendment provide that the rental shall be raised without bothering with any director? Why should there be any director? The Senator proposes to take all discretion from him, and instead of people being protected in their rentals, they will be in such a position that they will be required, so far as the pending amendment is concerned, to pay rentals of 10 times the amount they are now paying. I do not know what the intention of the author of the amendment was; I am talking about what the effect would be. It is the most dangerous amendment I have heard offered in the wild orgy of amendments which have been presented to the pending measure.

I thought that practically everyone was agreed that there was a necessity for some kind of control of rentals so that some judgment could be used. This amendment does not permit the slightest judgment to be used. There must be a 5 percent increase three times. It seems to me that in the matter of rentals there must be some opportunity for the exercise of judgment. Certainly that was the intention.

This amendment is to apply in all defense rental areas. I do not know where those areas are in peacetime. I do not know when peace will have been agreed upon; I do not know whether it is the intention that in all the areas of the United States this amendment shall apply, or whether it means that so long as the technical state of war continues this authority shall be compulsory. I do not know what the object is. I do not know what the meaning of the amendment is. I do know that it means a complete disruption of any rental control in the United States so far as the pending joint resolution is concerned.

Mr. MAGNUSON. Mr. President, will the Senator from Delaware yield?

Mr. TUNNELL. I yield.

Mr. MAGNUSON. Is it not true that under the present Price Control Act the regional directors of OPA are allowed to make certain adjustments for costs in the various areas, on proper showing by landlords?

Mr. TUNNELL. Yes. The Senator from New Jersey, as I recall, said there had been seven or eight thousand adjustments, and it was claimed there had been 700,000 adjustments for cause, such as replacing refrigerators, or certain changes in conditions. So seven or eight hundred thousand such adjustments have been made. But the amendment provides that in all cases, whether the refrigerator has been taken out or put in, there shall be this direction to raise rents 5 percent three times by 1947.

Mr. President, I hope the amendment will be rejected.

Mr. HILL. Mr. President, the Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate because of illness in his family. He has communicated with me concerning the pending amendment, and had hoped to secure a pair against the amendment. Being unable to secure a pair for the Senator from South Carolina, I wish to state, on his behalf, that if present he would vote "nay." The Senator from South Carolina also requested that I make the following statement for him:

Because of illness in my family I am unable to be present to vote against any change in the present rent-control law. I believe rent control has been well handled and has saved many a family from eviction, and has kept down the cost of rent in the interest of the working people of the United States.

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. HAWKES] which will be stated.

The CHIEF CLERK. On page 16, line 14, after "Sec. 5" it is proposed to insert "(a)."

On page 17, after line 2, insert the following new subsection:

(b) Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof a new paragraph as follows:

"The Administrator shall authorize an increase of 5 percent, effective on and after the date of enactment of the Price Control Extension Act of 1946, in the maximum rent in effect on June 30, 1946, in all defense-rental areas. On November 30, 1946, the Administrator shall authorize a further increase of 5 percent in the maximum rent in effect on that date in all defense-rental areas. On March 31, 1947, the Administrator shall authorize a further increase of 5 percent in the maximum rent in effect on that date in all defense-rental areas: *Provided*, That whenever any State, or political subdivision thereof, has established provisions for the control and regulation of the rent of housing accommodations within its boundaries and notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended and extended, and no regulations, orders, or requirements thereunder (except as to offenses committed, or rights or liabilities incurred, prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall be applicable within such State or political subdivision, as the case may be."

Mr. HAWKES. Mr. President, the yeas and nays have been ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], and the Senator from Nevada [Mr. MCCARRAN] are detained on official business at various Government departments.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER], and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine Independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Wisconsin [Mr. WILEY] are unavoidably detained on official business.

The result was announced—yeas 14, nays 58, as follows:

YEAS—14

Ball	Millikin	Smith
Capehart	Moore	Taft
Carville	O'Daniel	Thomas, Okla.
Hawkes	Radcliffe	Wherry
McClellan	Reed	

NAYS—58

Aiken	Hill	Overton
Andrews	Hoey	Pepper
Austin	Huffman	Revercomb
Barkley	Johnson, Colo.	Robertson
Bridges	Johnston, S. C.	Russell
Briggs	Kilgore	Stanfill
Brooks	Knowland	Stewart
Buck	La Follette	Swift
Burch	Langer	Taylor
Byrd	Lucas	Thomas, Utah
Capper	McKellar	Tobey
Donnell	McMahon	Tunnell
Downey	Magnuson	Wagner
Fulbright	Mead	Walsh
Gerry	Mitchell	White
Gossett	Morse	Willis
Green	Murdock	Wilson
Guffey	Murray	Young
Gurney	Myers	
Hayden	O'Mahoney	

NOT VOTING—24

Balley	Eastland	McFarland
Bilbo	Ellender	Maybank
Brewster	Ferguson	Saltonstall
Bushfield	George	Shipstead
Butler	Hart	Tydings
Chavez	Hatch	Vandenberg
Connally	Hickenlooper	Wheeler
Cordon	McCarran	Wiley

So Mr. HAWKES' amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 38 to the bill, and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 10, 11, 12, 13, 14, and 38½ to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate, and that the House in-

sisted upon its disagreement to the amendment of the Senate numbered 39 to the bill.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. KNOWLAND. Mr. President, on behalf of the junior Senator from Michigan [Mr. FERGUSON] and myself, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the joint resolution it is proposed to insert the following new section:

SEC. —. (a) Whenever any State, or political subdivision thereof, has established provisions for the control and regulation of the rent of housing accommodations within its boundaries and notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended, and no regulations, orders, or requirements thereunder (except as to offenses committed prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall be applicable within such State or political subdivision, as the case may be.

(b) The Administrator is authorized and directed to cooperate with any such State or political subdivision to the fullest extent; and, to that end, he shall make available to the proper officials of such State or political subdivision such records and other information in his possession which may be requested by such State or political subdivision to enable it to effectively control and regulate such rents.

Mr. KNOWLAND. Mr. President, this amendment, unlike the previous one which was offered, does not provide for an increase in rentals. I, along with the majority of the Senate, opposed that amendment because it was establishing a new precedent in setting prices on a particular commodity. I wish to call attention though to the fact that if there is any commodity that may be better handled by the States than rentals and housing I do not know what it is. Unlike most other commodities, housing cannot flow in interstate commerce.

I wish to call attention to the fact that conditions in various parts of the country vary considerably. In some areas, such as in my own State of California, there is a very serious housing shortage, particularly in the metropolitan and the war industry areas. In other communities, even in the State of California, there is not a critical housing shortage. Conditions vary in the different cities and areas in the United States.

At this point, Mr. President, I wish to read a few telegrams I have received, some from California and some from other States of the Union. The telegrams are as follows:

WHITTIER, CALIF., July 10, 1946.

WILLIAM F. KNOWLAND,

United States Senator, Washington, D. C.:

Your amendment depriving OPA jurisdiction over rents where cities or States established own rent ceilings since June 30, is good legislation. Hope you can secure adoption. Los Angeles County yesterday adopted

rent ceilings. Please include counties in your amendment. Whittier paper reports survey here indicates only few landlords increased rents excessively.

JOSEPH L. PADEN.

SAVANNAH, GA., July 10, 1946.

Congratulations on your stand to abolish OPA rent ceilings where cities and States provide control. Savannah has already set up a fair rent committee.

WILLIAM C. GILBERT.

NEW YORK, N. Y., July 10, 1946.

Heartily endorse your proposed amendment to permit those States with rent-control laws to manage their own affairs. The real-estate industry is a purely local matter requiring local adjustment.

JOHN D. COLGAN.

NEW YORK, N. Y., July 10, 1946.

We heartily endorse Knowland-Ferguson amendment providing for the return of rent control to such States as are willing to assume responsibility. We pledge the support of owners controlling 2,500,000 housing units in New York City. We believe your amendment is a proper one since rent control should be a purely local matter. Count on us for all the help possible.

JOSEPH F. ADDONIZIO,
Vice Chairman, Metropolitan Fair
Rent Committee, New York.

BROOKLYN, N. Y., July 10, 1946.

I urgently appeal to you to exempt the State which have rent-control laws at present from the provisions of any Federal rent laws.

B. CHES.

I wish to say, Mr. President, that a statement was made by one of the speakers in opposition to the previous amendment which I do not think was quite in keeping with the facts. The section which the Senator from New Jersey had included in his amendment and which was somewhat similar to our amendment would not, nor would this amendment decontrol rentals in the same sense that the Senate has decontrolled meat. To the contrary, it provides that controls shall be retained, and they shall be retained under OPA administration on a Federal basis unless and until the State or the political subdivision provides local or a State control over rentals.

Mr. President, there have been statements made on the floor of the Senate from time to time which would appear to give the impression that all the virtue and all the wisdom and all the intelligence is in the Nation's Capital at Washington. My own opinion is that this vast country of ours is too complex an economic organization to be controlled from Washington for any extended period of time. During war time it is, of course, necessary that there should be such control, because we take men into the armed services and tell them where they will have to go, where they will have to fight, and what they will have to do. Of necessity, in order to win the war, we had to set up rigid controls in our economy and had to tell people what they should produce and where they should work. The American people fully recognized this fact and were willing to have such rigid controls in order to win the common victory. But, Mr. President, we have now been out of war for a period of about 1 year. I think it is high time, where we can do

it with safety, to start turning these vast powers back to the people by whom they were entrusted to the Federal Government.

Mr. President, this country got its start and laid the foundation which enabled it to grow from a small colony of 3,000,000 people on the Atlantic seaboard to become the greatest nation on the face of the earth in the old New England town type of meeting. There the people meeting together, and knowing their local problems, and knowing their neighbors, established a form of government that is second to none anywhere in the whole world. I do not believe that we should take the position that the people, the States, or the localities are incompetent. I do not believe that this body has the right to take the position that those serving in State legislatures, or as State executives, members of boards of supervisors, city councilmen, or mayors, are any less patriotic than are we. I do not believe that we should say that they are incompetent to do this job.

My general observation has been that, by and large, when the Government is brought close to the people, when citizens can go to their city council meetings and make their protests heard, or can go to their boards of supervisors and petition in person, or drive to their State capital in a few hours and appear before their State legislative committees, the people are likely to get just as good government as we give them from Washington, if not better.

From my State of California, the Nation's capital is almost 3,000 miles away. Four or five days' travel are required by train for a citizen to come here and appear in person. It is true that by plane he can get here overnight; but it is an expensive undertaking to make a trip by railroad or airplane; and the cost of living in Washington is high. As a result the average citizen who feels that he has been imposed upon finds it very difficult, except by letter or telegrams, to make contact with his representatives in Washington; but if we return this function to the localities, he will be able, in a few minutes, to go to his local government and present the facts.

For this reason, Mr. President, it seems to me that this is a reasonable, sound, and sensible amendment. I certainly would not stand here and advocate the removal of rent controls. Fifteen million men have served their country in the armed forces, and during the entire war period the building program has not been able to keep pace with normal demands. As a result there is a housing shortage. Consequently, if an unconscionable rent increase is made, the veteran or other tenant is unable to find himself another home, as he can do in normal times. He is evicted, and perhaps cannot find shelter for himself and his family. For that reason neither I nor the Senator from Michigan [Mr. FERGUSON], who is also sponsoring this amendment, would be advocating it if we thought for a moment that it meant the removal of rent control, which will be necessary until our building program catches up with the normal demand for housing. But this amendment would do

no such thing. It would continue control in the OPA until and unless the States and the localities should establish their own controls. For that reason I ask the support of the Senate for this amendment.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. BUCK. I merely wished to make one point clear. If a State does not now have such a law, and its general assembly should see fit to enact a law, would the control of rents automatically pass to the State?

Mr. KNOWLAND. I will answer the Senator by saying that I believe the language of the amendment covers that point. It is the intent of the author of the amendment that any State or political subdivision which now has a rent-control law, or may hereafter enact one, shall come under the provisions of the amendment.

Mr. BUCK. A State or other political subdivision would automatically take control.

Mr. KNOWLAND. Whenever it notified the OPA Administrator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. BARKLEY. Mr. President, I wish to discuss the amendment very briefly before we vote on it. I think it might be well to submit to the Senate a very brief statement as to the efforts on the part of States and municipalities to deal with the subject of rents.

Up to today only 3 or 4 of the 48 States have taken any steps whatever to institute local rent control. One of them acted under a proclamation of the governor. There is grave doubt as to the constitutionality of his action or his authority to issue a proclamation dealing with rents upon the lapse of the Stabilization Act on June 30. In that State the governor made the effort, by the issuance of a proclamation, to institute local rent control during the interim. As I say, his authority to do so is under very grave doubt. At any rate, he did make the effort, and the effort is commendable. But up to today only 3 or 4 of the 48 States have made any effort to institute any sort of local rent control. Most of the governors of States have stated either that they contemplate no action, or that they are doubtful as to their authority to control rents.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KNOWLAND. As a matter of fact, under the existing controls of OPA it would do no good for a State or locality to establish local controls, because the Federal Government has jurisdiction in its own hands. Is not that correct?

Mr. BARKLEY. The Legislature of New York State enacted a rent-control act during the life of the OPA.

Mr. KNOWLAND. But that was done through the foresight of Governor Dewey, who recommended that the State have a rent control act ready in case the Federal rent control law should not be effected.

Mr. BARKLEY. That is true. I suppose the legislature shared some of that foresight, because it enacted the law.

Mr. KNOWLAND. I presume it did. We will give them both some credit.

Mr. BARKLEY. But even in the few States which have attempted rent control the governors have clearly indicated that the State controls are only temporary stop-gaps until Federal controls can be reestablished. So even in the State of New York, which enacted a rent-control act during the life of the OPA, the act was only a stop-gap pending the reestablishment of Federal rent control. I commend whoever was responsible for that action in New York State; but that is only one State out of 48. Since the lapse of rent controls such States as have undertaken, through their Governors or otherwise, to institute rent controls have done so frankly with the idea that the attempt was only a stop-gap awaiting the reestablishment of rent controls by the Federal Government.

There are also a number of technical reasons why the Senate ought to think seriously before adopting an amendment of the nature of that offered by the Senator from California. From 1919 to 1930 a number of rent statutes were enacted by various States. Some purported to regulate only a segment of residential rents. Others dealt primarily with evictions, while at least one, after its passage, was declared unconstitutional by the highest court of the State under the State constitution.

Would the enactment of any State law purporting to regulate rents in some particular make mandatory the decontrol of all areas within the State? The amendment offered does not deal with that subject. Would the enactment of enabling legislation authorizing the municipalities within a State to enact rent ordinances carry a similar mandate? In other words, if the legislature of any State should enact a law authorizing the municipalities to initiate rent control within their boundaries, and the Governor of the State should so certify to the Price Administrator would that be a compliance with this amendment, although the municipalities might never enact ordinances dealing with local rents? That is a legal question which I do not answer, but I think it is one which ought to be raised.

If we are to deal with this subject so as to step out of the picture when the State legislature or any other State authority which has the constitutional power to do so takes charge, we should be interested in knowing whether the State authority has acted adequately or inadequately. The enactment of a law by a State legislature authorizing municipalities to institute rent control might be regarded by the Governor as a sufficient basis for him to certify to the Administrator that the State had enacted an adequate rent law, although the municipalities might never act within their own jurisdictions.

Under sporadic local controls following World War I rents in the United States jumped about 50 percent. Rent control during the present national housing shortage is really a national

problem. We have recognized it as such by the enactment of the law. If we had thought that it was not a national problem we would not have included rent control in the Price Control Act. If Congress had thought that the States could or might deal adequately with the question, looking at it purely as a local problem, Congress still would not have included rent control in the Price Control Act.

The same reasoning applies to the Veterans' Emergency Housing Act. We have recognized that problem as a national problem. In that act we have established certain regulations and controls by reason of which the housing problem and the housing shortage, as applied to veterans and their conditions, are dealt with as a national problem through an act of Congress. I do not know to what extent this amendment would impinge upon that.

But in spite of all these objections, Mr. President, I have suggested to the Senator from California that if he would be willing to modify his amendment so as to eliminate the reference to political subdivisions of the States, and also add the word "adequate"—and the word "adequate" would be interpreted by the Governor of the State, not by the Administrator in Washington—I would be willing to take the amendment to conference. I do not think it is adequately drawn. The problem is one which I think should be worked out in deliberations.

I myself have no objection to having the Federal Government step out of the picture in any State where there is adequate local rent control. But I am fearful that in the impulse to get the Federal Government to relinquish rent control in a State and the impulse of some local authority to take charge of rents in the State, we might do something which would be injurious to the housing situation and would create a spotty condition in the matter of housing in the United States.

I am assuming that this measure will go to conference and that it will have to be worked out in conference. Certainly that is the course which I think it should pursue. I am suggesting to the Senator from California that he limit his amendment to the State as a unit. I realize that probably in San Francisco and in Los Angeles rent control legislation has been enacted. But those regulations or measures may be different, and probably not in harmony with each other, depending on the local conditions. I realize that in the city of Cleveland, Ohio, one rent control law might have been passed, and in the city of Cincinnati, Ohio, another one might have been passed, and such provisions might very vitally affect veterans who are a part of our national obligation, as we have recognized.

If the Senator from California is willing to modify his amendment so as to limit it to the State unit, instead of having it apply to local subdivisions as well, and to include the word "adequate," which would be a word to be interpreted and passed upon by the Governor of the State, not by the Administrator here in Washington, I would have no objection

to taking the amendment to conference. I say to the Senator that in the conference, inasmuch as there is nothing on the subject in the House version of the joint resolution, the conferees would be free to act comprehensively on the subject. But I think we should be given an opportunity to look into the feasibility as well as the advisability of including every local community within a State as a separate unit, or dealing with a problem which is a national problem on account of the widespread shortage of houses all over the United States.

Mr. KNOWLAND. Mr. President, my colleague, the Senator from Michigan [Mr. FERGUSON] will shortly speak for himself on this situation. We are joint authors of the amendment. But speaking for myself, I went over the suggested modification of the amendment which the able majority leader has presented. I went over it with my colleague, the Senator from Michigan. I do not believe it meets the problem which we feel should be met. I appreciate very much that the able majority leader feels that he will be able or hopes that he may be able to accept the amendment and take it to conference. I may say that if it is taken to conference, I hope the Senate conferees will make a fight to retain it in the joint resolution. For the very reason the able majority leader pointed out is, I think, is one of the best arguments for the amendment as submitted by the Senator from Michigan and myself. California has a coast line 1,000 miles long and embraces an area which perhaps would represent most of the States on the Atlantic seaboard. The great State of Texas covers a large area which perhaps represents 20 or 30 States of normal size in other sections of the country. For that reason, I believe that the judgment of the State legislatures and of the localities should be taken into consideration in connection with meeting what is purely a local problem in peacetime. I am quite willing to admit that in wartime, with war industries being moved from one section of the country to another, there is a logical argument for including housing in a national act.

Mr. BARKLEY. Mr. President, not only have we included housing in a national act in wartime, but we have passed a housing act since the fighting ceased. Of course, we are not yet technically at peace, although we have been out of the war, from the standpoint of actual conflict, for nearly a year; it will be a year in September. But, notwithstanding that fact, we have recognized the housing situation as a national problem. It cannot be dealt with otherwise. It is a national problem, and it is especially a national problem where it involves our ex-servicemen, in whose behalf we passed the Emergency Veterans' Housing Act only a few months ago.

So this matter should be placed in such a status as to enable the conferees to go into the whole subject and deal with it in their deliberations.

It is for that reason that I have suggested to the Senator from California that the elimination of the words "local subdivisions" will not in any way handicap the conferees in dealing with the

matter, because there is nothing on the subject in the House version of the joint resolution, and so the amendment will give them an opportunity to look into the question of the efficacy of municipalities in controlling rents, and whether they have authority under the State constitutions, in cases where the matter has not been passed upon by the courts, to initiate rent controls; or if they do not have such authority, but where the matter had been determined by the courts, if they have an adequate law in the State, whether the assumption of jurisdiction by the State would be possible after the Governor had made a certification, as provided by the amendment, and after the Federal Government had vacated the field.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. It seems to me that in the conference the conferees would be more likely to adopt the amendments if we put them in now, rather than they would be if we now eliminate them. The Senator's suggested provision would amount to saying, "Well, in his discretion he does not have to do it if he does not want to." So it seems to me to be a much more comprehensive amendment if the Senate adopts it in this way. Whether the conferees could make it stronger seems somewhat doubtful.

So if the Senator wishes to take the amendment to conference, why not adopt the original Knowland amendment?

Mr. BARKLEY. Mr. President, I am not suggesting that the Administrator be given additional discretion. All I am suggesting is that the question of local subdivisions be eliminated.

Mr. TAFT. I thought the Senator from Kentucky was suggesting that the Administrator be given the power to say, "No; this is not adequate."

Mr. BARKLEY. No; the Senator from Ohio is not interpreting my suggestion as I myself have interpreted it. I said that the question of adequacy would be a matter for the Governor himself to pass upon, not the Administrator here in Washington. The Governor would certify to the Administrator that an adequate law had been passed in the State, and that would be the end of it, insofar as the OPA was concerned; and the Governor, not the Administrator, would pass on the matter.

I am merely making these suggestions in an effort to be helpful, and this is all I wish to say about the matter. If the Senator from California and the Senator from Michigan or other Senators think my suggestions harmful, instead of helpful, the Senate can pass on the question itself.

Mr. FERGUSON. Mr. President, I wish to say a few words on the amendment. The amendment takes for granted that there should be rent control. I think the reason that rent control should continue, although I am against controls, is that there is a shortage in the supply of housing, and the current building will not catch up with the demand very soon. There is evidence that in the case of people who are

now living in houses, their rents have been raised in some cases to such an extent that they can no longer remain in them and pay the rent, and they are not in a position, as in the case of other commodities, to go out and buy them in an open market. In other words, they are not in a position to rent houses in an open market. So we take it for granted that rent control should be had at the present time. Naturally, it should be removed at the earliest possible date.

A great many inequities have resulted from trying to control this situation from Washington. I simply wish to call the attention of the Senate to Detroit. Detroit's rents were fixed as of March 1, 1941. Chicago's rents were fixed as of March 1, 1942. The rents in other large cities were fixed as of March 1, 1943. There is no doubt that great inequities and great injustices have been done in the case of Detroit. But, Mr. President, I have not felt and I do not now feel that an over-all absolute rent increase of 15 percent is the proper way to proceed.

In this case, as in all such cases, the difficulty is that we try to centralize the matter in Washington. I wish to say that Paul Porter knew nothing about the rent situation and the building situation in the large city of Detroit and in the other cities; yet I know that in many cases people came to Washington—yes; even widows came here—and pled that they might have the rents for their property increased so that they could even make the expenses and pay the taxes and their other costs. He absolutely ignored them, because he sat in Washington. What I think the Government in Washington should do is to send the matter back to the local community. The time has come when we should do more than give lip service. We should act by trying to return the government to the people from which it stemmed. That is the reason I have put my name upon this amendment.

Mr. President, we talk about whether or not the law will be unconstitutional in a particular State. If it is unconstitutional it is not law, and it will not control rents. We have had some experience in Michigan with municipal control. That is why I could not consent to take the control of rent away from the municipality. In the city of Flint, Mich., 100,000 people have lived under a rent-control ordinance. Paul Porter and the Government at Washington have remained out of the picture, and the local rent-control authorities have administered the matter satisfactorily to the people of the city of Flint, thereby demonstrating that the local government can control the situation.

Mr. President, I should like to see those who have control over the lives of others be compelled to walk down the same street and on the same side of the street with those whom they would control. That is all this amendment would require. It would return to the people of the United States their Government in connection with this very vital question of rent control. I hope that the Senate will, by a large majority, adopt the idea

of returning the Government to the people.

Mr. MAGNUSON. Mr. President, I expect to be very brief. I do not disagree with the Senator from Michigan about returning control to the local governments. I had hoped that the Senator from Michigan and the Senator from California would accept the suggestion of the able majority leader.

Mr. President, the pending amendment might operate successfully in Michigan, but I am sure that nothing but confusion would result if it were to be applied in some States such as, for example, my own State of Washington in which there are four or five great urban centers, the city limits of which are a part of counties.

In some instances the city may be governed by a council. There may be many different types or forms of government. Sometimes it is hard to tell where the city ends and the county begins. The city of Seattle, which is King County, is a desperately congested area, just as was Detroit when the rent controls were established, and, I think, probably at the wrong time. In my State this is what would happen: A board of county commissioners would meet. There are 39 counties in the State, and approximately 300 first-class cities. There would be at least 339 different types of rent control in the State of Washington unless the legislature of that State took appropriate action. Who would do the certifying? Suppose the board of county commissioners in King County should say, "We have rent control here. We are providing for a 20 percent increase." The board of county commissioners so certifies to the OPA regional director. Then the city council meets and passes a new rent control ordinance.

The Senator from Michigan spoke about persons in the same community walking up and down the same side of the street. In Washington there are working families living on one side of a street under one system of control, and other families living on the other side of the street, across the city line in a county, living under another system of control. Perhaps the ones living in one area pay twice as much as those who live in the other area. It all depends on what type of control has been established by the county commissioners, and the type which has been established by the city council.

Mr. President, I may also point out the fact that it requires some time to determine whether cities have the right to pass rent ordinances. If all congested areas were included within city limits where a separate political subdivision could deal with rent control, the pending amendment would be satisfactory. In various States there are separate and different types of political subdivisions. There are different types of political control in the various subdivisions. There are different types of thought among the people with regard to what should be done.

I am sure that a great deal of confusion would result in many States from the adoption of this amendment. In Los Angeles County there may be greater authority to establish rent control than

there is in other localities. However, I know that the amendment would cause a great deal of confusion in various sections of the United States. I know that many of us would support the Senator from Michigan and the Senator from California if they would abide by the suggestion of the majority leader and allow the matter to go to conference where it could there be worked out. But I can see nothing but confusion in my State if the amendment should be made a part of the law. I think that in the State of Washington we would eventually have at least 50 different types of rent control.

Mr. FULBRIGHT. Would the amendment automatically withdraw the OPA? As I understand it, the OPA would go along as it has gone, unless the State decided to act.

Mr. MAGNUSON. Yes; or unless the political subdivision acted. Suppose a board of county commissioners should say, "We will adopt a rent control ordinance and allow rents to increase 100 percent." All that it would be necessary for them to do would be to certify to the regional director that they had adopted a rent control ordinance. If the word "adequate" were incorporated in the language of the amendment, as suggested by the majority leader, the OPA would have some way of ascertaining whether or not the rental was adequate.

Mr. FULBRIGHT. I understood the majority leader to say that the decision as to adequacy would be left to the local authorities.

Mr. MAGNUSON. It would be left to the governor in the event that the State legislature passed a law covering the matter. However, Mr. President, I can see how we would have a great deal of confusion. There would be many types of authority within the county and city governments. There would be a great many persons living on one side of the street under one type of authority when, perhaps persons living on the other side of the street would be under an entirely different type of authority.

I may say that I think the amendment should be adopted because, emasculated as price control now is, I believe that any governor, whether of New York or my State, would have sufficient foresight to convene his State's legislature and protect the people of his State in connection with the matter of controlling rents. I believe, however, that in many States a great deal of confusion would be caused by allowing a political subdivision to say to the regional director, "We have rent control, therefore Federal control does not apply in this area."

I hope the Senators from California and Michigan will accept the suggestion of the majority leader.

Mr. FERGUSON. Mr. President, I appreciate the argument of the able Senator from Washington. I think it shows that we need to allow the various municipalities to control their own rental situations. No one man, no matter what his capacity and wisdom may be, has the right to assume that he can properly control all the rents of all the homes in America. I wish to say that even though an ordinance on one side of the street differs from that on the other side, the

ordinance, whatever it may be, is of the people. They adopted it, and we must assume that they have some degree of wisdom and are in better position to control their own lives than is an individual in Washington.

The able Senator from Arkansas [Mr. FULBRIGHT] was exactly correct when he said that the amendment does not apply in communities where no ordinance or State statute covers the matter. The Federal Government would then control.

On the question of adequacy, it is proposed to ask the governor of the State to certify whether, in his opinion, a law which is on the statute books of the State is an adequate law. If the governor wishes to have the law repealed, he will say, "No, it is not adequate." Mr. President, that is not the way to repeal State laws. A governor cannot repeal an ordinance of a city. If the city is acting within its capacity, the governor of the State has no right to say, "I repeal that ordinance by virtue of my decision that it is not adequate, and therefore the Federal Government shall control." Neither has the governor of the State power to repeal a State law by saying, "That law is not adequate." He has the right to veto it, and if the legislature desires to pass it over his veto, it may do so.

Mr. President, we must return to some of the fundamentals of Government. The fundamentals mean that we cannot grant to a Governor the right by a decision that a law is not adequate to set aside the will of the people as expressed in their State laws and their regulations. We cannot and should not pass that kind of law. Let us be realists. Let us return the Government to the people and allow them to pass adequate laws.

Mr. MAGNUSON. Mr. President, may I ask the Senator a question?

Mr. FERGUSON. I yield.

Mr. MAGNUSON. There is no doubt about what the Senator says; that is basic. I am talking about unique political situations in political subdivisions.

In my State a county, King County, of half a million or 600,000 people, is governed, insofar as the amendment would apply, by 3 county commissioners. There is no executive department. The 3 men would determine what would be an adequate rent law. They may disagree. The vote may be 2 to 1. Then within the city there may be another rent law. Who would determine the adequacy in that case? Perhaps the Senator would say it would be by a majority vote. But it would cause a great deal of confusion.

As I have said, in every State of the Union there would be all kinds of rent laws. I agree with the Senators in their effort to break it down, but if we are to start to break it down, let us start with the States, because many States are not like the State of Michigan in this regard.

Mr. BARKLEY. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. BARKLEY. In the amendment as offered, the word "adequate" is not used. It reads:

Whenever any State, or political subdivision thereof, has established provisions for

the control and regulation of the rent of housing accommodations within its boundaries and notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, shall be applicable.

There may be any sort of provision, adequate or inadequate, and in the case cited by the Senator, if all the counties—how many are there?

Mr. MAGNUSON. In the State of Washington 39 counties and about 300 cities.

Mr. BARKLEY. If all of them passed rent-control ordinances, or orders, or whatever they might be termed—if all 339 of them should do that—all they would have to do would be to certify to the Administrator that they had instituted provision for the control of rents. There might be 339 different kinds of control, but, at the same time, the Federal Government would have to step out under a certification of that sort.

I have suggested the word "adequate," leaving it to the governor to determine the adequacy of the law. That is not in the amendment as it is offered. Suppose 15 different cities in the State of Kentucky, or in Missouri, or in Indiana, should, through their law-making bodies or through county boards, adopt some sort of rent ordinance. They would all certify that they had adopted rent ordinances or had taken steps to control rents. They might all be different, but that is what they would be required to do in order that the Federal Government should step out and leave the local authority in control.

I agree with the general proposition that as soon as possible, as rapidly as possible, and to the extent possible we should leave these matters to local control, and I shall so rejoice when we are able to do that that I shall make some sort of demonstration that will be heard a long distance, whenever we can get rid of all the things that annoy us and bother us and pester us in Washington. But we cannot avoid our duty. We cannot run out on 15,000,000 American veterans who have returned to this country seeking housing and seeking reasonable rents for housing. We cannot avoid a situation which a great war has created, and that war was a national problem, and the aftermath of the war is also a national problem.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KNOWLAND. I should like to ask the Senator from Kentucky a question. Does not the able majority leader think that the people in the communities, the families of the veterans, their neighbors, those who saw the men go off to war, are just as vitally interested and concerned to see that they get a square deal as is the Congress of the United States, or the OPA, sitting in Washington?

Mr. BARKLEY. I would say theoretically, yes, that would be true, but I am not sure these families are going to be in control even in the local communities where they live. I am not sure they can control the governor, for instance, to call an extra session of the legislature in order to deal with the problem, which

most of the States will have to do if they deal with it at all.

Mr. KNOWLAND. I can only say to the able majority leader, for whom I have the highest regard and the highest respect, that it is a very unusual situation that the leader of the great Democratic Party is afraid to let the people back home have a voice in this situation.

Mr. BARKLEY. If I did not so highly regard the Senator from California I would say that that was a demagogic statement, because it is not true; but in view of my high regard for him, I think it is a lapsus linguae, and I attribute his statement to that.

Mr. MAGNUSON. Mr. President, will the Senator from Michigan yield to me?

Mr. FERGUSON. I yield.

Mr. MAGNUSON. I also wish to remark to the Senator from California that that is not the issue here at all. In California perhaps every county can pass a rent-control act and make it effective, perhaps they can in Michigan, but in my State in one county I know of, where there are thousands of veterans, the city of Seattle may adopt a rent-control act that is good, and three county commissioners may sit there and do nothing. It is impossible to tell where the city ends and the county begins. Rents may be increased there 300 percent.

That illustrates the situation the majority leader is talking about and what I am talking about. I am talking about confusion. No one disagrees with the proposition at all in its broad aspect. It is the practical, mechanical effort to put it into operation that is troublesome, and before we adopt an amendment such as this we should be sure it is going to work in every State in the Union, not merely in California and Michigan.

Mr. FERGUSON. Mr. President, in reply to the able Senator from Washington, let me say that he seems to have lost sight of the fact that if the city of Seattle adopts an ordinance and the commissioners outside the city, in the county, fail to adopt an ordinance, the people of the county outside the city are adequately protected by the Federal law. The Federal law will still be in existence. All such situations are abundantly taken care of by the amendment. It does not apply to any municipality or subdivision which does not have rent control, and if the people want to control their own rents, they should be able to do so.

The able Senator from Kentucky says that we in Washington should not run out on the people back home so far as their Government is concerned. What I wish to say is that we at least should allow the people back home to come into their Government. It is not a question of us running out; it is a question of allowing the people back home to be in their Government rather than trying to control them from Washington. So the proposed law would not apply unless there were rent control in the State or the municipality or the subdivision.

Mr. MAGNUSON. Mr. President, will the Senator from Michigan yield for a question?

Mr. FERGUSON. I yield.

Mr. MAGNUSON. I think perhaps the Senator misunderstood my point.

Of course, what the Senator says is correct under the amendment. My point is that if the county commissioners, or if the city, where there is a unit, adopts a rent-control act, regardless of what they may say is the limit, and shall so certify, in that county perhaps a million veterans may be living under two systems of rent control.

Mr. FERGUSON. Paul Porter has fixed a different rent control for Chicago from what he has fixed for Detroit. What is the difference between the people of Detroit and the people of Chicago, so far as rent controls are concerned, and the people in the county near Seattle and the people in the city of Seattle? The people at least would have the right to say what their law should be. Now the city of Detroit has nothing to say as to what its rent law shall be. So I want this matter sent back to the people, and at least it will be the people's law if there is inequity.

Mr. BRIGGS obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from Missouri yield?

Mr. BRIGGS. I yield.

Mr. BARKLEY. The Senator from Michigan referred to the difference between Chicago and Detroit. That is not an analogous situation. Chicago and Detroit are hundreds of miles apart—they are in different States—and that is a different situation from a city which has corporate limits and the people who live in the outskirts of the city, who do not live within the corporate limits, and whose rents have not been regulated by anybody. There is certainly a different situation between two widely separated cities and a city and contiguous territory in the county because there happens to be an imaginary line drawn around a city which limits the boundary of the city, although conditions are practically the same.

Mr. BRIGGS. Mr. President, I believe that no Member of this body has a greater desire to see the States in complete control of their government than have I, but I call the attention of the Senator from California and the Senator from Michigan to a concrete example of what is going to happen if we adopt the pending amendment, as it relates to the State of Missouri.

There are in St. Louis County, the home of my distinguished colleague [Mr. DONNELL], about 10 very populous centers. They are all in St. Louis County. If the city of Webster Grove adopts a rent-control ordinance and certifies it to the Administrator—and St. Louis County, which is equally a political subdivision, adopts another rent-control ordinance and sends it to the Administrator; and Richmond Heights, another city within St. Louis County, adopts a rent-control ordinance and sends it to the Administrator, then certainly there will be confusion.

I think that if we observe State lines we will be safe, but if we break the States down into political subdivisions, so far as the State of Missouri is concerned, I can see nothing whatsoever but confusion.

I wish that the distinguished authors of the amendment would accept the suggestion made by the distinguished ma-

jority leader, so that the authority would go back to the States rather than to political subdivisions, for certainly if it were placed in political subdivisions nothing but confusion could follow.

Mr. FULBRIGHT. Mr. President, will the Senator from Missouri yield?

Mr. BRIGGS. I yield.

Mr. FULBRIGHT. I should like to ask the authors of the amendment how they regard the situation when a State passes a law after a city has? Does the State law prevail, under those conditions? Would the State law automatically wipe out the local rent-control law?

Mr. FERGUSON. I think I can answer that question. Ordinarily the State law is superior to the municipal law. There are a few States that have home rule, and if a given locality is within the jurisdiction of the home-rule statute, then the municipal law overrides the State law.

Mr. FULBRIGHT. Does not the Senator think that the home-rule situation would further complicate the matter? It might be well if we knew that in all cases which became confused the State could straighten out the situation, but if home rule enters into the situation, then there would be no way whereby the confusion could be prevented, such confusion, for example, as was referred to by the Senator from Missouri [Mr. BRIGGS].

Mr. FERGUSON. Mr. President, I cannot understand how there would be confusion resulting. The municipalities have distinct lines. Every community knows its own boundaries. The municipality would not be confused. It would have its own administration. It would have its own ordinances. Every municipality collects its own real-estate taxes. The municipalities control their own situation. They know that if they increase taxes they will have to increase rents. So we will have some examples of real control rather than the confusion we now have. In my opinion, it is much better to have control at home than to have control from Washington. Let us consider the District of Columbia. In the District of Columbia there is one control. Across the river in Virginia there is another control. But no confusion results from the two controls.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. BARKLEY. The Governor of Virginia has issued a proclamation respecting rentals. I think there is some question as to whether he had the authority to do it, and I am not passing on that question, but when the OPA lapsed all rent control, so far as Federal Government was concerned, lapsed, except in the District of Columbia. We had a control law here. In Maryland they had none, and in Virginia they had none, and the people in those States immediately began to clamor for some sort of a law which would protect them, although they live on the outskirts of Washington. I dare say that in the city of Detroit, the Senator's own city, in every large-sized factory in that city from 25 to 50 percent of the employees who work in the factory will be found to be living outside the city limits. They leave the factory when they have finished their work

and drive into the suburbs where they live. Yet under the provisions of this amendment, and under the confusion which would result from it, those who live in Detroit would have their rent controlled, while those who live in the suburbs outside Detroit, although they work in the same plant, would not have any rent control, unless the State of Michigan, or the county government if it had the authority, imposed control, and it might even impose a different control law than that which prevails within the city limits.

Mr. FERGUSON. Mr. President, I am assuming that there is going to be Federal rent control, because we are asking to amend a measure which would provide for Federal rent control, and if the measure is vetoed the amendment would be done away with, as well as the provision of the measure which provides for rent control.

Mr. BARKLEY. If there were a local rent-control law in force in the city limits of Detroit, and a Federal law in force outside the city limits, does not the Senator think that would create confusion?

Mr. FERGUSON. I cannot see how it would create any confusion.

Mr. BARKLEY. The people who live in the same metropolitan territory would have two laws to govern them, and the two laws might be entirely different, and in some respects contradictory.

Mr. FERGUSON. The only thing I can say is that I think the people outside the city of Detroit would have sufficient wisdom to pass a law or an ordinance which would take care of their situation.

Mr. BARKLEY. They might not have the authority to do it under the State constitution. It is not every county in the United States that can pass a rent-control law. The county in which I live in Kentucky could not pass a rent-control law. The city of Paducah in which I live might adopt a rent-control ordinance, but the county outside could not pass such a law, because it has no power to do so.

Mr. MAGNUSON. Mr. President, I offer an amendment to the amendment offered by the Senator from California on behalf of himself and the Senator from Michigan [Mr. FERGUSON], on page 1, line 1, after the word "State", to strike out the words "or political subdivision thereof."

Mr. BARKLEY. I think the Senator had better provide in his amendment to strike out those words wherever they appear.

Mr. MAGNUSON. Yes; I propose to strike them out wherever they appear. The Senator from California knows the intent.

Mr. HILL. Does not the Senator think the word "adequate" should be inserted also?

Mr. MAGNUSON. Yes, I include in the amendment further, on page 2, line 2, after the word "State", to strike out "or political subdivision, as the case may be"; on page 2, line 5, after the word "State", to strike out the words "or political subdivision"; in line 7, after the word "State", to strike out the words "or political subdivision"; in line 9, after the word "State", to strike out the words "or

political subdivision"; and on page 1, line 2, after the word "established", to insert the word "adequate."

Mr. TAFT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. TAFT. I call attention to the fact that in the original law the local regulation was recognized. The law reads that "if within 60 days," and so forth, "rents within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise."

So, we have always recognized the right of localities to regulate rents if they did so before the OPA Act. Here in the District of Columbia, for instance, the District law was in effect before the Federal law was enacted. The District imposed a regulation, and then the OPA came in and regulated all the Maryland territory in the area outside the District and both worked perfectly well together, so far as I know.

Mr. MAGNUSON. Of course, that is true, but this is meeting the problem in the reverse way. In this case the OPA would be required to accept whatever local regulation was made. In the other case the OPA could or could not recognize it, and in many cases the OPA did recognize it. I think in the city of Flint and in some other places the OPA did recognize the local regulation. But it was discretionary with OPA, and they only recognize the local regulation with respect to rent control where such rent control was somewhat in line with what it was in the surrounding area, or almost the same. Under the pending proposal three county commissioners in a certain county in the State of Washington could establish any kind of rent control they saw fit, and certify that they had done so, and that would be the end of Federal control there.

Mr. FERGUSON. Mr. President, I hope the amendment proposed by the Senator from Washington will not be adopted. My reason for saying that is that if our amendment is adopted it will not become applicable until after the first of the year, when the respective legislatures convene, unless special sessions are called. I think the people in the municipalities, in the subdivisions, should be allowed to pass their own laws in the meantime, because their legislative bodies are in continuous session, and therefore can take care of the rent situation if they desire them to do so. If they do nothing, then this law will apply, but at least we should say to the people back home, "You are permitted to look into this situation and act if you desire. If you do not act, then we as the Federal Government are going to act so that rents may be held at a reasonable figure." In other words, we do not want legalized burglary. We do not want rents raised to such a point as to result in the eviction of people, who would have no place to go. We want reasonable rentals. We want reasonable regulations. We believe that the people back home should act, and in case they do not act, then Washington will act, because we must take care of the American people in this respect.

Mr. KNOWLAND. Mr. President, I merely wish to join with my colleague from Michigan and request that the amendment offered by the Senator from Washington be not adopted. Under the present situation there are already localities in various sections of the country, municipal governments or county governments, as the case may be, that have already established rental control. My able colleague, the Senator from Michigan, has pointed out that if the amendment of the Senator from Washington were adopted it would mean, in effect, that the controls which have been set up by the localities would not be recognized until the legislature should be called into special session. Many of the State legislatures, as in my own State, meet biennially. Normally, the regular session of the California Legislature would not take place until January of next year.

It is true, as the able Senator from Kentucky has pointed out, that there may be States in which the localities under their constitutions or under their present statutes do not have the power to set up rental controls. In that case it would be still within the power of the local residents to request their Governor to call a special session of the legislature, and it would be still within the power of the Governor to call a special session and either give to the localities the necessary power or take such other measures as he and the legislature might determine upon to meet this problem. But until and unless the State legislature or the localities have taken affirmative action to relieve themselves from obligation under the national OPA, the protection given by the national law will still be in effect.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FULBRIGHT. The Senator says that under the existing law there are many localities operating under their own regulations. Does the Senator interpret this amendment to mean that it would repeal the present power of the OPA to permit that to be done?

Mr. KNOWLAND. No; I say that now that the law has expired, the State of New York, for example, has an emergency statute which has been on the statute books since July 1. The county supervisors in Los Angeles County and the city councils in a number of California cities have, under their existing authority, passed legislation setting up local controls. We would recognize that situation only in places where such a thing has occurred, or where hereafter such local controls might be established.

Mr. SWIFT. Mr. President, will the Senator yield so that I may ask the Senator from Washington [Mr. MAGNUSON] a question?

Mr. KNOWLAND. I yield.

Mr. SWIFT. I should like to ask the Senator from Washington a question with reference to his amendment to the amendment offered by the Senator from California. On page 2, in line 1, he would strike out "or political subdivision thereof", so as to read:

Whenever any State has established provisions for the control and regulation of the rent of housing accommodations—

And so forth. That being in the past tense, would it mean that the State could not have a special session of the legislature to deal with this problem? Or would the amendment apply only to States which now have laws on the subject?

Mr. MAGNUSON. I shall ask the Senator from California to answer that question.

Mr. KNOWLAND. I wonder if the Senator from Washington would be willing to hold up his amendment temporarily so as to allow me, on behalf of the Senator from Michigan and myself, to modify the amendment by inserting the words "or hereafter." While I am satisfied that this point is covered by the amendment, the point has been raised by a number of Senators. In case there should be a later judicial determination of the question, I think the explanation would be sufficient. However, it was the intent of the authors of the amendment to provide by the amendment what I have indicated. Nevertheless, I am willing to modify the amendment by adding the words "or hereafter", so that there will be no question. I ask unanimous consent to modify the amendment to that extent.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. SWIFT. Mr. President, would the Senator be agreeable to accepting the language "has established or hereafter shall establish"?

Mr. KNOWLAND. That is acceptable. I wish to modify the amendment to that extent.

The PRESIDING OFFICER. At what point does the Senator wish to have those words inserted?

Mr. KNOWLAND. In line 2, so as to read:

Whenever any State has established or may hereafter establish provisions for the control and regulation of the rent of housing accommodations—

And so forth.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MILLIKIN. I invite the Senator's attention to the fact that in some States—at least in my own State—there are what are called home-rule cities, which, within certain limitations, have all the powers of the State. It would be very unjust to require those cities to wait until after the 1st of the year to receive word from the State legislature in a field in which they already possess jurisdiction, and in which they are already empowered to take action. For example, the city of Denver is a home-rule city. It is already taking action to enforce rent controls. There are several other home-rule cities in Colorado. It seems to me that the Senate ought not to do anything by way of amendment which would interfere with the rights of those cities, which are independent of what a legislature may do.

Mr. KNOWLAND. Let me say to the distinguished Senator from Colorado that I do not understand that the modification of the amendment which I have made would do that.

Mr. MILLIKIN. Oh, no.

Mr. KNOWLAND. The Senator is speaking of the amendment of the Senator from Washington.

Mr. MILLIKIN. I am speaking of the amendment offered by the Senator from Washington.

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. GUFFEY. I remind the Senator from California and the Senator from Michigan that there are 48 States and 3,008 counties. There is one State, namely, Rhode Island, without a single county. Senators can see the complications to which this amendment is likely to lead.

Mr. CORDON. Mr. President, I have long been one of those who believe in local government, in placing the power of government in the hands of the people, and as close to the people as possible. I shall support the amendment offered by the Senator from California on behalf of himself and the Senator from Michigan.

I can see no great difference between the suggestion of the majority leader and that made in the amendment itself, so far as it applies generally to the United States. However, in some sections—in the State of Colorado and perhaps other States—it may be vitally important that the amendment be adopted as it was prepared.

I rose not to discuss that question, but to discuss the amendment offered by the distinguished Senator from Washington [Mr. MAGNUSON] to the amendment of the Senator from California. In my opinion, when it is proposed to amend the pending amendment by the addition of the word "adequate" immediately preceding the word "provisions" we again put the Office of Price Administration in the saddle. The agency then has the authority to determine whether the local provisions for rent control are adequate. In other words, the amendment, if it be amended as suggested, would provide two conditions precedent to the removal of rent control by the Federal Government: First, the establishment by a State of adequate provisions for control and regulation of rents; and, second, notification to the Federal Government of that fact. Those are independent conditions precedent. There is no provision by which the Office of Price Administration is compelled to accept the definition of the legislature of a State as to the adequacy of its rent-control law.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CORDON. I am happy to yield.

Mr. MAGNUSON. I am not happy with the choice of the word "adequate." I do not know just what to place in the amendment to cover what I mean. My point is that I wish to minimize the possibility of a local government perhaps enacting the wrong kind of rent-control law. In view of the fact that the joint resolution is going to conference, I will withdraw the word "adequate" from my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Washington is modified accordingly.

Mr. CORDON. I am happy to have the Senator modify his amendment.

With that word absent, generally speaking I think that the amendment of the Senator from Washington would not vitiate the amendment as it was printed. However, I recognize that there are areas in which political subdivisions are now controlling the rent situation. There may be other areas in which the same action might be taken. For that reason I shall oppose the amendment offered by the Senator from Washington, although I am quite sure that the modification of his amendment will leave to local determination the question of the adequacy of whatever control provisions are adopted.

Mr. BARKLEY. Mr. President, I wish to invite the attention of the Senate to what has happened to rents in the past 11 days. Rent reports have been received from field offices throughout the United States. All areas reporting continue to cite widespread rent increases of severe magnitude and sharp increases in eviction notices by landlords. In Maine numerous rent increases averaging 50 percent have been reported as having been put into effect or demanded since the 28th of June.

In Vermont tourist-home rates have doubled and even trebled in the past 12 days.

In Rhode Island, in the first 5 days of July more than 300 eviction notices were received, seven times the normal number of receipts for such a period.

In the Midwest, all midwestern-area offices reported widespread rent increases ranging from 10 to 300 percent, with most increases averaging between 25 percent and 50 percent.

In Chicago almost 1,700 eviction notices were reported for the 3-day period from July 1 through July 3.

In the South all areas report a uniform picture of large-scale rent increases and greatly increased eviction pressure. Examples are as follows: Greenville, S. C., rent increases varying from 10 to 200 percent; West Palm Beach, Fla., from 10 to 150 percent; Montgomery, Ala., from 10 to 320 percent.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KNOWLAND. Let me say at this point that if the President of the United States had followed the able advice of the majority leader and the leader of the House we would not now be without rent controls where these heavy increases are occurring. I merely wish to point out to the majority leader that if this measure is enacted into law we shall have controls. They will be controls either by the Federal Government under the OPA or by the State or local governments. I am satisfied, as I am sure the able majority leader must be, that neither the OPA nor any State or local authority which might be established under the terms of the proposed law would permit such rent increases as the Senator is pointing out. They are possible only because the President of the United States vetoed the bill.

Mr. BARKLEY. The Senator from California can allocate responsibility to whomever he sees fit or wherever his political exigencies may require. The President did veto the bill. He exer-

cised his constitutional right in doing so. I am talking about what has happened in various sections of the country.

In the San Francisco district many rent increases are reported, ranging from 10 to 286 percent. More than half of the increases reported were in excess of 50 percent.

The following is information furnished under an Associated Press date line:

MIAMI, FLA., July 2.—The Greater Miami Apartment House Association and the Miami Beach Apartment House Owners' Association, representing 25,000 apartment units, voted unanimously tonight not to raise rents—yet.

E. J. Minges, former president of the Miami organization, in a speech said: "Don't kill the goose that laid the golden egg—yet. We're all tired of collecting low rent, but for goodness' sake, let's wait until this corpse is buried. Don't do anything until they get the marble slab on tight. Stay down for a few months. The winter is coming, and when that slab is down tight you can work rents up, and then there won't be any OPA for them to fall back on."

I mention that only to show what has happened.

Mr. FERGUSON. Mr. President, will the Senator give us the source of the information?

Mr. BARKLEY. The source of the information, and I suppose the Senator from Michigan will undertake to discredit it, is the reports which have been received by the Office of Price Administration from regional offices all over the United States, except for the Associated Press story from Miami. Does the Senator from Michigan deny or dispute these figures?

Mr. FERGUSON. No; but I wish to say—

Mr. BARKLEY. Very well; then silence gives consent.

Mr. FERGUSON. The Senator from Michigan merely wanted the RECORD to show the source of the information.

Mr. BARKLEY. I wish the RECORD to show what has happened in the last 10 or 12 days, even in areas which claim to have some kind of rent control.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I think it should be said that there is no difference about the desirability of continuing rent control. As I said on the floor of the Senate yesterday, if anything happens to this measure, certainly I do not think there will be any difficulty in passing a rent-control measure. I do not think there can be any question at all about that. In every State, insofar as bona fide homes are concerned, people are occupying them at least on the basis of a month-to-month tenancy, and I doubt very much whether, under any of these efforts or notices or threats, eviction can take place, provided we pass a rent-control law by the 1st of August. Certainly every Senator on this side of the aisle, and, I am sure, every Senator on the other side of the aisle, will cooperate to bring that about. So I do not think the question of rent control is in issue at this time.

Mr. BARKLEY. I say to the Senator that I hope we shall pass a price-control bill which will include rent control, so that it will not be necessary for us later

to pass a rent control measure simply because we can not get anything else.

Mr. TAFT. I hope so also, but there may be matters which will interfere with the attainment of that result.

Mr. FERGUSON. Mr. President, I wish to say that the question of rent control is not at issue in connection with this amendment. We recognize rent control in the amendment.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Is the vote about to be taken to be on the Magnuson amendment, or did the Senator from Washington withdraw it?

Mr. MAGNUSON. No.

Mr. WHITE. Mr. President, have the yeas and nays been requested?

Mr. KNOWLAND. I ask for the yeas and nays on the amendment offered by the Senator from Michigan and myself.

The PRESIDING OFFICER. The first vote will come on the modified amendment of the Senator from Washington to the modified amendment offered by the Senator from Michigan and the Senator from California.

Mr. MAGNUSON. Mr. President, I say to the Senator from California that this vote is on my amendment which eliminates the words "political subdivisions" from his amendment.

Mr. BARKLEY. Mr. President, I ask for the yeas and nays on that question.

The yeas and nays were ordered.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Gurney	O'Mahoney
Andrews	Hart	Overton
Austin	Hawkes	Pepper
Ball	Hayden	Radcliffe
Barkley	Hill	Revercomb
Bridges	Hoey	Robertson
Briggs	Huffman	Russell
Brooks	Johnson, Colo.	Smith
Buck	Johnston, S. C.	Stanfill
Burch	Kilgore	Stewart
Bushfield	Knowland	Swift
Byrd	La Follette	Taft
Capehart	Langer	Taylor
Capper	Lucas	Thomas, Okla.
Carville	McClellan	Thomas, Utah
Chavez	McKellar	Tobey
Cordon	McMahon	Tunnell
Donnell	Magnuson	Wagner
Downey	Mead	Walsh
Eastland	Millikin	Wherry
Ferguson	Mitchell	White
Fulbright	Moore	Wiley
George	Morse	Willis
Gerry	Murdock	Wilson
Gossett	Murray	Young
Green	Myers	
Guffey	O'Daniel	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

Mr. FERGUSON. Mr. President, let me give a brief explanation of what we are to vote upon. We are about to vote upon the question whether we should strike the words "political subdivisions" from the amendment proposed by the Senator from California and myself.

The Senator from California and I are of the opinion that if the Senate strikes out those words, the real purpose of the amendment will be defeated. We

believe those words should remain in the amendment, because after all the home-rule cities of America should be able to govern themselves. If these words are stricken from the amendment, that will mean that the cities will not be able to control their rents, for in many cases the legislatures of the States cannot meet before at least 6 months or more have passed.

Mr. MAGNUSON. Did not the Senator just make the argument that Federal control is still in existence?

Mr. FERGUSON. Yes; Federal control is still in existence.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Washington [Mr. MAGNUSON] to the modified amendment offered by the Senator from California [Mr. KNOWLAND] on behalf of himself and the Senator from Michigan [Mr. FERGUSON]. On this question the yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. WAGNER. I have a general pair with the Senator from Kansas [Mr. REED]. Not knowing how he would vote, I transfer that pair to the Senator from New Mexico [Mr. HATCH]. I am therefore at liberty to vote. I vote "yea."

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from Nevada [Mr. CARVILLE] and the Senator from New York [Mr. MEAD] are detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

If present and voting, the Senator from New York [Mr. MEAD] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Kansas [Mr. REED] has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business,

having been appointed a member on the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 44, nays 34, as follows:

YEAS—44

Aiken	Hoey	Myers
Andrews	Huffman	O'Mahoney
Barkley	Johnston, S. C.	Overton
Briggs	Kilgore	Pepper
Burch	La Follette	Radcliffe
Chavez	Lucas	Robertson
Downey	McCarran	Russell
Eastland	McClellan	Stewart
Fulbright	McKellar	Taylor
George	McMahon	Thomas, Okla.
Gerry	Magnuson	Thomas, Utah
Green	Mitchell	Tunnell
Guffey	Morse	Wagner
Hayden	Murdock	Walsh
Hill	Murray	

NAYS—34

Austin	Gossett	Stanfill
Ball	Gurney	Swift
Bridges	Hart	Taft
Brooks	Hawkes	Tobey
Buck	Johnson, Colo.	Wherry
Bushfield	Knowland	White
Byrd	Langer	Wiley
Capehart	Millikin	Willis
Capper	Moore	Wilson
Cordon	O'Daniel	Young
Donnell	Revercomb	
Ferguson	Smith	

NOT VOTING—18

Bailey	Ellender	Reed
Bilbo	Hatch	Saltonstall
Brewster	Hickenlooper	Shipstead
Butler	McFarland	Tydings
Carville	Maybank	Vandenberg
Connally	Mead	Wheeler

So Mr. MAGNUSON's modified amendment to the amendment offered by Mr. KNOWLAND in behalf of himself and Mr. FERGUSON, was agreed to.

Mr. BARKLEY. Mr. President, in view of the adoption of the amendment which has just been voted upon, I suggest that, on page 1, line 4, of the Knowland amendment, after the word "and", there be inserted the words "the governor of such State." The responsibility would then be on the governor of the State to notify the Administrator. I move to amend accordingly.

Mr. FERGUSON. Mr. President, the proponents of the amendment will accept the modification.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment to the amendment was agreed to.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. Was the amendment of the Senator from Kentucky agreed to?

The PRESIDING OFFICER. Yes.

Mr. PEPPER. But the amendment offered by the Senator from California in behalf of himself and the Senator

from Michigan has not been voted upon?

Mr. BARKLEY. No; it has not been voted upon.

Mr. PEPPER. I do not see any more reason for leaving rent control to the several States than for leaving other aspects of control to the several States. I wish to ask for a vote on the Knowland amendment.

The PRESIDING OFFICER. The yeas and nays have not been requested.

The question now recurs on agreeing to the modified amendment of the Senator from California [Mr. KNOWLAND] in behalf of himself and the Senator from Michigan [Mr. FERGUSON], as amended, which will be stated.

The LEGISLATIVE CLERK. On page 34, after line 20, it is proposed to insert the following:

SEC. 19. (a) Whenever any State has established, or may hereafter establish, provision for the control and regulation of the rent of housing accommodations within its boundaries and the Governor of any State notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended, and no regulations, orders, or requirements thereunder (except as to offenses committed prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall be applicable within such State.

(b) The Administrator is authorized and directed to cooperate with any such State to the fullest extent; and, to that end, he shall make available to the proper officials of such State or political subdivision such records and other information in his possession which may be requested by such State to enable it to effectively control and regulate such rents.

Mr. PEPPER. On this question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WAGNER. I have a general pair with the Senator from Kansas [Mr. REED]. Not knowing how he would vote, I transfer that pair to the Senator from New Mexico [Mr. HATCH]. I am therefore at liberty to vote. I vote "nay."

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from Nevada [Mr. McCARRAN] is detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Coun-

cil of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 59, nays 20, as follows:

YEAS—59

Andrews	George	Murdock
Austin	Gerry	O'Daniel
Ball	Gossett	O'Mahoney
Barkley	Gurney	Radcliffe
Bridges	Hart	Revercomb
Briggs	Hawkes	Robertson
Brooks	Hoy	Russell
Buck	Huffman	Smith
Burch	Johnson, Colo.	Stanfill
Bushfield	Johnston, S. C.	Stewart
Byrd	Knowland	Swift
Capehart	La Follette	Taft
Capper	Langer	Tobey
Carville	Lucas	Wherry
Chavez	McClellan	White
Cordon	McKellar	Wiley
Donnell	Magnuson	Willis
Eastland	Millikin	Willson
Ferguson	Moore	Young
Fulbright	Morse	

NAYS—20

Aiken	McMahon	Taylor
Downey	Mead	Thomas, Okla.
Green	Mitchell	Thomas, Utah
Guffey	Murray	Tunnell
Hayden	Myers	Wagner
Hill	Overton	Walsh
Kilgore	Pepper	

NOT VOTING—17

Bailey	Hatch	Saltonstall
Blibo	Hickenlooper	Shipstead
Brewster	McCarran	Tydings
Butler	McFarland	Vandenberg
Connally	Maybank	Wheeler
Ellender	Reed	

So Mr. KNOWLAND's amendment, as amended, was agreed to.

Mr. KNOWLAND. I move to reconsider the vote by which the amendment was agreed to.

Mr. FERGUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TAFT. Mr. President, I call up an amendment I have at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 25, it is proposed to strike out lines 9 to 25, inclusive, and on page 26, lines 1 to 22, inclusive, and insert:

SEC. —. (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry cus-

tomarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period.

(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation.

(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act.

Mr. TAFT. Mr. President, the amendment which I offer is to section 11 of the bill, on pages 25, 26 and 27.

The amendment proposes to strike out lines 9 to 25 on page 25, lines 1 to 22 on page 26, and to insert certain language. But the effect of the amendment is in fact to strike out three parts of the amendment which the distinguished majority leader sponsors in his joint resolution. Those three parts appear on page 25, striking out the last four and a half lines, reading, "but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period."

On page 26 I would strike out lines 7 and 8, reading "including reasonable adjustments for conditions resulting from abnormal volume of production", and on page 26 strike out lines 16 to 22, inclusive, as follows:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

Those three provisions would be stricken out.

When those provisions are stricken out, the amendment is exactly the same amendment as that presented by the distinguished majority leader to the Committee on Banking and Currency, as revised by him from time to time during the days of July 3 and 4, but before the change proposed by Mr. Paul Porter, the head of the Office of Price Administration. The three provisions which I would strike out were all proposed by Mr. Porter, and were not in the amendment originally presented by the distinguished majority leader.

I shall discuss the provisions somewhat later. The general effect of them, as I see it, was to accept the formula proposed by the distinguished majority leader, but to provide that under varying circumstances and varying discretions of the Administrator he did not have to apply the formula. So that it seems to me those three provisions merely nullify the entire effect of the formula.

Mr. President, as I said earlier in the debate, the distinguished majority leader has chosen to present a joint resolution including every other amendment presented and included in the conference bill which was vetoed except this amendment and the so-called Wherry amendment, subsection (t). All the other amendments were accepted by him regardless of the fact that the President had violently objected to two or three of them, perhaps not at such length and with such vehemence as he objected to section 11 and subsection (t), but certainly with very pronounced feeling. Only these two amendments were proposed to be changed.

Mr. President, I have no particular pride in the form of the amendment I presented before. I have a great interest in its purpose. It seems to me that the distinguished majority leader must have sympathy with that point of view, because the amendment which he presented accomplishes two of the main purposes of my amendment. While it is not identical, it does adopt the general theory that the Administrator shall be obliged, in the case of manufacturing, processing, and producing, to recognize a base period price before the war, add to it the average increase in cost, and fix a price today representing the sum of that prewar price plus the average increase in cost. That means that if a man were selling at a loss before he would sell at a loss now; if he were selling at a profit before, he would be entitled to sell at the same profit now, that is, the same dollar-and-cents profit, not the margin.

The majority leader met several objections of the President in his amendment, and I am perfectly willing to meet them myself. In the first place, the President objected to the base period of 1941, and said that permitted an unduly wide margin. Taken before taxes, it was somewhat wider than the margin in 1940. That was not my purpose. I adopted that base because that is the base period fixed in the original Price Control Act. The original Price Control Act provided that starting from that base period the Price Administrator should add increased costs, but it left it widely in his discretion. The purpose of this amendment is to tie it down.

The formula presented by the distinguished majority leader varies also in this respect. Whereas I propose that we add the increase in cost on each major product to the average price of the particular manufacturer in 1941, the distinguished majority leader proposes that we add the increase in cost to the average price in 1940. I think the 1941 provision is a little better, but I do not believe it is a material part of what I was trying to accomplish. In effect, what I was trying to accomplish was to force OPA to

recognize the increased cost in the manufacture of articles, because I feel that only in that way can be possibly hope to get the production of a vast line of products which today are not on the shelves, which are not being made, because the OPA has chosen to hold the price below a price which is reasonable enough to induce anyone to produce the particular article. The OPA does that through two formulas to which they have hung on with desperate strength in spite of criticism and in spite of efforts to make them change.

One of them was the so-called over-all industrial standard. That is, OPA said that if a manufacturing company was making four different products, and the company was making profits on the over-all operation, then the OPA could fix the price on one of those products which would require the manufacturer to sell that product at a loss regardless of what the prewar condition was, regardless of whether it was ever sold at a loss under normal peacetime conditions. I may say that but few things were sold at a loss during normal peacetime conditions, because manufacturers would eliminate such things from their line, if they could not build them up in some way to make them profitable items. But the over-all industrial standard worked in such a way that a particular product had to be sold at a loss, let us say, by the largest manufacturer, who made the widest line of products. Then there was the small manufacturer who made only one particular product. He had to operate at a loss. So OPA allowed such a little manufacturer to obtain what was called a hardship price. But a small manufacturer cannot long maintain a price above the price of the large manufacturer who has a wide line of products. Consequently the result has been that a good many shortages have resulted, not from a general limitation on products, but because the costs entering into the manufacturing of major products are not recognized and allowed to be included in the sales price, and therefore such products, having to be sold at a loss, are not manufactured, and we do not find them on the shelves of the stores. That happened in the case of butter. It happened to standard clothing. It happened to various types of lumber. It has happened to millwork, and hardwood flooring. Hundreds of thousands of houses were started, but almost none of them can be completed because of the shortage of this and the shortage of that. It is largely due to this over-all industry standard.

Then we have another formula. It was proposed that industry should have a price that would give the same return on invested capital as was received in the 1936-39 period. That was done in defiance of the Price Control Act, which said that profits may be taken into consideration back to 1940. Take the pig-iron industry. There is today a great shortage of pig iron. Why? Because it happened that in the 1936 to 1939 period the industry did not make any real profits. It received 2½ percent return on invested capital. OPA, therefore, fixed the pig iron price at a figure which

would give the industry 2½ percent return on invested capital, although public utilities throughout the United States are authorized to receive 5 or 6 percent return and in some cases 7 or 8 percent on invested capital.*

Now we propose that the prewar price must be recognized, plus increase in cost. The effect of our proposal is to fix such a price as will give a reasonable return on each product. It is not a high price. So far as I can see the effect of it is infinitesimal compared with decontrols which the Senate has voted for some of the commodities. If the increases in question run more than 10 percent in any case I shall be greatly surprised. So far as I have been able to make calculations the increases might run from 2 percent to 10 percent. In many cases manufacturing industries have been taken care of. In some cases they make a profit. I do not think the over-all profit situation of industry in general is bad. But many small companies are in a bad situation, and they are the ones from which we must get production.

I have heard a great deal said about farmers, and the necessity of stimulating the production of farm products. But every county seat in Ohio is supported by some manufacturing industry, which puts people to work. Such industries produce the things which are needed, and build up production and employment in the United States. In a dozen cities in my State hundreds of small concerns do the business of producing. Every town wants such concerns because they are producers. Throughout the eastern area of the United States there are thousands of small business concerns, and it is the small ones that suffer. The big fellows can continue in operation. They find something else on which they can make a profit to balance the loss they suffer. The small fellow is tied down to his particular article of production, and if it happens that the price he is allowed to charge is below cost of production, he, of course, loses money.

Day before yesterday I received a call from a small shovel company in Piqua which have made a reasonable return on their rather small capital during 75 years. They have lost money in the last 3 years because shovels are listed as agricultural instruments. Last year they lost \$200,000, the third time they lost money in 75 years, because of that particular situation. Other companies make shovels but also make numerous other products, so they can continue to make money despite their loss on shovels. But because this particular company makes only the one item, namely, shovels, they have lost money. Therefore they are not interested in producing more shovels. The more they make the more they lose. Why should they produce materials which are needed when they lose money by producing them?

The purpose of the amendment is to obtain increased production. No one cares particularly whether these concerns make money. I have no interest in whether they make money. What I want to do is to have a price scale fixed which will result in obtaining a reasonable production of manufactured goods,

which will put men to work and keep them working, and fill up the store shelves which are empty today. It is true, Mr. President that they are empty. There are shortages everywhere. Every other thing a customer asks for is not in stock. He cannot buy it in the stores. Butter was priced so low compared with other milk products that it was not made, and there is not a sufficient supply of butter.

The same is true of standard clothing, of woodpulp for paper, and of linseed oil for paint. Half the paint factories of the United States are closed down because OPA will not authorize a price for linseed oil which will enable the manufacturers to buy linseed oil in Argentina at the present world price. The same thing is true of hides. Hides cannot be imported because of the price that is fixed by OPA, and leather tanners are shutting down because they cannot get the leather. The situation with respect to cattle is such that hides are in small supply throughout the United States. Those are only a few examples of the situation.

The general charge is made that the amendment will result in increasing prices. The increases in prices I would say would be mild compared to what may happen when commodities are decontrolled and there is a free market. Then there will be no way of restraining the situation. Manufacturers are not particularly anxious to increase their prices. What they want to do is to increase the volume of their production, if they can, and have their product known as a low-priced product. They can make more money by selling more goods at a low price than by selling fewer goods at a higher price.

Mr. President, as a matter of fact the principle of recognizing increased costs in increased prices is not anything new. It is not an invention of mine. The principle has been stated over and over again in the Price Control Act. It was stated in the Price Control Act in the very beginning, in section 2 where it is provided that the Administrator shall give due consideration to the prices prevailing between October 1 and October 15, 1941, the base period that I took from that act—

For the commodity or commodities included under such regulation or order.

We intended then that each commodity should have a proper price, but the Price Administration construed that to mean all the commodities that some particular concern happened to make.

And shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned.

Then some time ago—2 years ago, as I recall—we wrote in another provision almost exactly like the one I have offered. There is nothing new in the proposal we have made or that the majority leader makes in this measure in principle. That provision is as follows:

Provided, further, That modifications shall be made in maximum prices established for

any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase such commodity for war purposes or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1946, the maximum prices so established will not reflect such increased costs.

We wrote it into the act, but the Administrator did not pay any attention to it, or at least he only applied it to agricultural commodities and commodities immediately next to agricultural commodities. The Administrator himself proclaimed this principle. This is Mr. Bowles' statement on "Pricing during reconversion" in a release by him shortly after VJ-day. I am not sure of the date. He said this for reconversion of industries:

In making a survey, we take 1941 costs—

He did not take 1940 costs, which I am perfectly willing to do—

we take 1941 costs and adjust them upward for two factors—first, lawful increases, in materials and parts prices, and, second, lawful increases in basic wage-rate schedules of factory workers. To the 1941 costs so adjusted, we will add the industry average 1936-39 profit margin as being a representative peacetime margin.

As a matter of fact it was not a representative peacetime margin, but in any event the principle is recognized.

These calculations give an "increase factor" for each industry. This is a percentage figure—

He gave them a percentage, and not a dollars-and-cents margin.

by which any manufacturer in the industry may increase his 1941 prices.

This is the basic part of our reconversion program. We expect this industry-wide part of our program to provide necessary adjustments for the big volume of reconversion products.

He assumes the principle, but he does not do it. He is not doing it today. But the principle was admitted then, yet it is denounced in the President's message, as if it were something entirely new that we invented in order to allow excessive profits.

Incidentally, the same principle is recognized in the pending joint resolution, because on page 31, in section 14, this very standard is provided, or something so much like it that it is impossible to recognize the difference. The same standard is provided for wool and cotton textiles. On page 31 we find the following language:

On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item—

That abolishes the over-all industry standard—

is fixed and maintained at not less than the sum of the following:

(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of

the grade and staple of cotton or wool used in such item, delivered at the mill).

That is the material cost.

(2) A weighted average of mill conversion costs.

Those are present costs.

(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive).

So we must determine what the costs were in 1939 and 1941, what the profit then was, and allow the same profit on costs today, instead of costs as they were then. That is exactly the same thing, figured in a slightly different way. That principle is admitted in the case of cotton and wool, without any of the weakening provisions proposed by the Price Administrator. It is admitted to be right. It is not criticized by the President. It is not criticized by the majority leader. With respect to cotton and wool yarn, and all cotton and wool products, exactly the same provision is in the pending measure as was in my original amendment.

The administration also has clearly recognized in many important industries that increased costs must be taken into account in prices. For example, in the oil industry, when the 18-percent increase was granted to the workers the OPA granted a price increase of 10 cents a barrel on crude oil. The increase totaled as much as the wage increase.

When wages in the steel industry were increased it cost the industry \$167,000,000. The OPA granted an increase of \$5 a ton in steel prices, which meant an increase to the consumer of \$275,000,000. There were other costs besides wage costs which were recognized; but increased costs were recognized in that case.

In the case of coal mining, the moment the wage increase was granted, costing \$192,000,000 a year, an increase of 40½ cents a ton was granted in the price of coal.

The same thing was true in the electrical-equipment industry and the automobile-manufacturing industry. Whenever a big industry and a big labor union are cooperating, the OPA yields and passes on to the consumer the increased cost. Those interests deal with the President or the Secretary of Labor, and they get results. But the little fellow comes to Washington and sees the little fellow in the OPA. He sits around for months trying to have his increased costs recognized. In many cases increased costs have not been recognized. The capital in the business, which should be used in expanding, is exhausted in paying the losses which occur on the products of the industry.

The difficulty with the amendments which are suggested by the Price Administrator is exactly the difficulty with all the other amendments proposed by him. We went through all this, and we never could get him to concede a thing. He would concede something in principle, but he has never conceded that we should write anything into the law which would

take away from him complete discretion to approve or disapprove the principle.

Subsection (f) of section 11 provides as follows:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

That is, if a manufacturer is getting back only his costs, "nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products."

Whether that means that expansion in production would not be practicable because the manufacturer did not have the means, or the public would not buy the product, I do not know. But if the Price Administrator says, "I do not think this formula would increase production," he is not required to follow the formula. That is the effect of that provision. Everyone has an opinion as to whether something will increase production or not. Sometimes it will and sometimes it will not. My theory has been that the Administrator has failed properly to analyze the need for increasing production, and the kinds of things which are necessary to increase production in so many fields, and that we are justified in laying down a standard and saying that as a general rule he must recognize increased costs by increased prices. Could anything be fairer than a proposal to recognize increased costs in increased prices?

The Price Administrator has been told this in mild language over and over again. If we are to have a provision in the law to the effect that if he does not believe that an increase in prices would result in increased production he does not have to apply the formula, we might just as well leave the formula out.

Subsection (c) on page 26 provides that the Administrator shall establish certain methods of accounting under the formula, and how he shall apply the formula by regulation, including reasonable adjustments for conditions resulting from abnormal volume of production.

What that means is that he figures what the increase in cost is, and then says, as in the case of the automobile industry, "I believe that this year it will produce 1,500,000 cars. If it were to produce 5,000,000 cars this year its costs would be much lower. Therefore I will not recognize the increased cost which the formula shows has occurred, and during the reconversion period I will compel the industry to sell its products at cost or at a loss; and I will apply that principle to the entire industry." The principle is applied to the little fellow as well as the big fellow. One small producer may be doing a good volume of business, while another may be doing less business. But if we wish to get industry started we cannot say to manufacturers during the reconversion

period, "We think that after you get it started you will have a volume two or three times as large. Therefore in the meantime you must sell at a loss." That is not fair. That is not the way to get production. That is not the proper method of conducting peacetime business.

Why on earth should not a manufacturer or processor today be on the same basis on which he was in peacetime before the war? There is no longer any need to freeze things. The Administrator has broken the freeze. He has granted enough increases in various types of industries so that we now know that no freeze principle remains. Why should not a man be entitled to get the same price he got before the war, plus the actual increased costs of labor and material, which have been brought about partly by the war and partly by administration policy? What could be fairer than that?

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AUSTIN. What is the difference between the period named in the Senator's amendment and the period ending in 1941?

Mr. TAFT. I will answer the Senator in this way: I have the figures. At first I thought that the figures for the two periods were about the same so far as increases in the cost of labor and material are concerned. The increased cost of labor and materials is about the same as the increase in prices between 1940 and 1941; but I find from the statement made by the Senator from California that the 1941 margin is greater. I obtained these figures from the National City Bank. While they are not exactly the same as those from the Treasury, or from the Brookings Institution, the relative position is the same. The National City Bank seems to collect the best figures on that question directly from corporations.

In 1940, before taxes, all manufacturers had a profit of 7.4 percent on sales. In 1941 they had a profit of 10.7 percent, or 3.3 percent more in 1941 than in 1940. After taxes there was not that difference. After taxes in 1940 they had only 5.1 percent, and in 1941 5.4 percent. So there was practically no increase. The effect of applying the 1941 formula to 1946, giving them 10.7 percent before taxes, would be to give them 6 percent after taxes, because there is now a 38-percent tax. Applying the 1940 scale to 1946 would give them 7.4 percent before taxes, or 4.6 percent after taxes. The Senator understands that that is not a return on invested capital. It is the percentage profit on net sales in each case.

Mr. AUSTIN. Can the Senator state the corresponding figures in the case of steel?

Mr. TAFT. No; I am afraid I have not the separate figures for the steel industry. I can obtain them. In general the effect of the change—which I am perfectly willing to accept in the measure of the Senator from Kentucky—is to reduce the profit before taxes from 10.7 to 7.4 percent, and to reduce the profit after taxes from 5.4 to 4.6 per-

cent. That is a concession to the President which I am perfectly willing to make. I had no special feeling about a particular time. What I was interested in was the prewar profit or prewar margin over present costs, instead of over prewar costs.

As I say, there is one other concession. The Senator from Kentucky bases his amendment on adding to the average price in 1940, instead of adding to each individual price in 1940. I think the President said adding to each individual price would create some confusion. Personally, I think it is better, because usually the small fellow charges a little higher price. He has higher costs, so he charges higher prices. Perhaps he is closer to his customers and knows them better and is able to give them special service, and so be able to make up, by means of such special services to his customers, for the difference between his prices and the lower prices which the big fellows are able to charge because of their lower costs. I should like to preserve that differential, but I do not think it is fundamental. So I am perfectly willing to eliminate that complication, as proposed by the Senator from Kentucky.

Mr. President, so far as the workability of the amendment is concerned, I cannot see very much difference between the workability of the amendment of the Senator from Kentucky and the workability of the amendment which I originally offered. As a matter of fact, the OPA has done it. It has done it in many cases. I have already quoted Mr. Bowles himself. There are a number of orders which do it. They did it in the case of the canners of vegetables and fruits in 1945 and 1946. They do it in many orders which I have before me. For instance, let me read a few:

MPR 188 * * *:

Broadly stated, the new maximum prices will represent costs experienced during the last period of normal production adjusted for subsequent lawful changes in the level of materials prices and in basic wage rate schedules of factory workers, plus the industry's average peacetime profit margin over cost.

They did it there.

They did it again in SO 118:

The basic principle for calculating the new maximum prices may be outlined as follows: To the 1941 total cost for the product being repriced an amount is to be added equal to the net dollar increase resulting from legal increases since October 1941 in materials prices and in average straight-time wage rates for factory employees. To the 1941 total cost so adjusted, a profit margin is to be added equal to the manufacturer's average percentage operating profit margin over cost for 1936-39.

I have four or five other orders. Here is SO 119:

Using your profit and loss statement for the 1941 accounting period, adjust your total cost figure by increasing the items in the statement for materials used by an amount which reflects the legal increases since October 1941 in the prices of the materials used in the product on which you are applying.

They have done it over and over again. All the talk about it being difficult to apply simply is not in accordance with the facts.

As a matter of fact, Mr. President, the formula proposed by the distinguished majority leader requires exactly the same calculation as the formula I have proposed. The only difference is that the majority leader, by accepting the three proposals of the Office of Price Administration, says in effect that if the Office of Price Administration does not want to apply the formula, it does not have to—in which case, of course, it is easy enough for it to escape the difficulties which might exist in applying the formula.

So, Mr. President, I think it is fair to say that the charge against the workability of the formula which has been in the act and often enforced, but often avoided, in all these years is purely a smoke screen to a general objection to tying the hands of the Price Administrator. We never can get the Price Administrator to do anything. Over and over again he says, "Yes; that is a nice formula. But I myself must have the discretion to decide whether I will apply it or not." That is, in effect, what Mr. Porter's formula in connection with this matter proposes.

Mr. President, all I ask is that the Senate consider this matter on its merits. The Senate did so before, and adopted it by a vote of 44 to 29. The various arguments submitted by the President, it seems to me, are not valid. I think I have answered all the arguments. We have made changes to meet some of his objections. Regardless of whether they are reasonable, I am perfectly willing to concede them, and I am perfectly willing to accept the amendment proposed by the distinguished majority leader on July 4 in the Banking and Currency Committee, provided there is eliminated from it the material which was put in subsequently in the afternoon of July 4 on the suggestion of Mr. Paul Porter, the Chief of the Office of Price Administration, who was present in the committee.

Mr. REVERCOMB. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. REVERCOMB. In order that I may clearly understand the amendment offered by the Senator from Ohio, let me inquire about it. It is in fact the proposal which was offered in the committee by the Senator from Kentucky; is that correct?

Mr. TAFT. That is correct. The Senator from Kentucky offered an amendment on July 3 in the committee. I made some suggestions for changes, which he accepted. Then it was given out by him to the press. On July 4 we sat there all morning. At noon the distinguished majority leader made some further corrections of his own—namely, the latter part of this, which really was taken from my original amendment, and which deals with procedure. He added that to his amendment. When we came back from lunch that was the state of his amendment.

Later, when Mr. Porter insisted that he must have discretion, the majority leader accepted these three sections, which I am now trying to strike out. They did not appear in the amendment until after Mr. Porter's suggestion, after Mr. Porter had appeared before the committee all day on July 4.

Mr. President, it has been suggested that we must change this, that we must not adhere to our original opinion, apart from the merits of the thing, because if we do so the President will veto the measure. If the President of the United States is going to sign the measure with provisions in it for the decontrols, and it now contains those provisions, I think there can be no question that the President will sign it regardless of whether this amendment is in it or whether the amendment is not in it, because the general effect of the amendment on prices is so much less than the rest of the measure will necessarily be. Of course, the increases in prices that have occurred in other commodities up to date are largely due, I may say, to the elimination of subsidies. I should like to refer to that question for a moment.

We have had before us several times the figures appearing in the New York Journal of Commerce, which showed that up to yesterday the prices on grains had increased 18 percent; on food products, 22 percent; on textiles, 2.3 percent; on metals, 4.3 percent; and on miscellaneous, 10 percent. So the total increase in the index from June 28 was from 202 to 227, or 12.3 percent. I may say that of the 12.3 percent, approximately 5.3 percent is represented by the removal of subsidies. In the case of grains there was no subsidy. In the case of food nearly all the increase—nearly all the 22 percent—was due to the elimination of subsidies. I assume that 17 percent of the increase was due to the elimination of subsidies. All of the metal increase of 4.3 percent was due to the elimination of subsidies. So without the subsidies the increase during those 10 or 12 days is approximately 7 percent.

So far as I could estimate black-market prices, I assume that of the 7 percent increase, probably 3 or 4 percent was already black market.

So I estimate that the net increase in prices, apart from subsidies, which, after all, are paid by the consumer in one way or another, was about 4 percent in those 10 or 12 days.

But inevitably the removal of controls from a product that has a wide market is going to result in some increase in price for a while. The hope is that it will bring in such a supply that it will ultimately result in a lower price. But the general effect of the amendment on prices is so much less, because after all our only purpose here is to prevent speculative increases, to prevent increases brought about by the excessive demand. If we can hold the increases to cost plus a reasonable profit, if we can hold the increases to cost plus increases in cost over prewar costs, then we shall have prevented inflation and we shall have obtained production, which eventually is the only thing that can cure inflation.

So I believe very strongly that this principle must be embodied in the law, and I think it is completely nullified if we undertake to say to the Price Administrator, "Well, here is the formula. You have to apply it. But if you find that the production is so low that they are getting an abnormally low volume,

then you do not have to apply it; or if it is so high that you do not think they are going to get any more production, you do not have to apply it." Mr. President, there is hardly any case in which the Administrator could not find either under (c) or under (f) that he does not have to apply the formula and, consequently, the formula is not there.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Missouri.

Mr. DONNELL. Will the Senator be kind enough to state in substance the argument which was presented by Mr. Porter for the inclusion of the language in the last four and one-half lines on page 25, and the answer which the Senator thinks proper to be made?

Mr. TAFT. I do not remember Mr. Porter's argument, but I think it was approximately this: The amendment in the last line on page 25 is an amendment of somewhat less importance than are the other two. Both the majority leader and myself proposed that there be added to the cost of each product in 1940 the increases in the cost of making the product, so the price of the product today would be at the proper level. That means that if the product was being sold at a loss or at a small profit in 1940, today also it would be sold at a loss or a small profit. On the other hand, the other products which the industry sold would be sold at a sufficient profit to make up the loss sustained in connection with the low-profit product. Under this amendment, instead of making the same profit today on the former remunerative products, it could be averaged down to the average price of all products which the industry sold in 1940.

The argument which was made, I believe, was this: It would be somewhat easier for Mr. Porter to calculate if he did not have to ascertain the cost of each product in 1940. He could say to a manufacturer, "You may receive 6 percent on everything, although you sold one article at a loss. Today I will take your 1940 price and allow you a 6-percent profit on everything instead of 1 percent on one article, 10 percent on another, and 7 or 8 percent on another." He says that that method makes his calculations very much easier. I do not think that it makes much difference, but it does result in a considerably lower total margin for the manufacturer who makes four or five separate products.

The entire method returns us to the so-called all-industry standard, where, instead of dealing with each product by itself we average the cost and the profit on all products. It is not quite so bad as averaging the present costs. We average not present costs, but profits. It might be simpler to reduce the amounts considerably.

The entire vice of the system has been that the Administrator has deliberately taken the position that a manufacturer must sell some articles or products at a loss, or at a high cost of production, because on some of the articles which he is making and selling he received a profit. I do not believe there was any very strong argument made in favor of Mr. Porter's position.

Mr. President, I hope very much that the Senate will stand by the general principle involved. I believe the principle is admitted. We have incorporated it in the law. The only purpose of writing anything of this kind into the pending measure is that the Administrator may be compelled to apply it and will not have the right to refuse to apply it. That is the only issue that lies in the amendment. Otherwise, it is a compromise amendment.

I am glad to say that I think the distinguished majority leader was trying sincerely to reach the principle which the Senate has in view, and yet meet some of the objections which the President made to the formula.

I do not insist upon the Senate adopting the original words of my amendment. I am perfectly willing to compromise, but I am not willing to compromise to the extent of saying that if the Administrator wishes to, even though the purpose is to increase production, he may not apply the principles upon which the Congress is insisting.

Mr. HUFFMAN. Mr. President, the action which the Senate is taking on price control is going to have a far-reaching effect on our economy. We are at the crossroads. By legislation we are either going to increase the intensity of the fires of inflation, or we are going to retard them. By amendments, we have already decontrolled the pending measure to death.

The greatest impediment to the enactment of proper legislation on this subject lies in the field of the personal interest of each individual Senator. Too many of the Members of this body, while favoring the general idea of price control, feel that certain products, generally those from their own State, should be exempted from the operation of the law. Log rolling has been fatal to the cause of effective price control.

If we are to exempt meat, as we have already done; if we are to exempt dairy products, as we have already done; if we are going to exempt cottonseed and soybeans, as we have already done; if we are going to exempt petroleum products, as we have already done; and each necessity in turn, we cannot possibly derive anything but an insipid and impotent measure. The joint resolution as reported by the committee was weak enough, but the amended measure is absolutely ineffective.

There are those who profess to believe that the law of supply and demand will take care of things from now on, but price behavior, since the expiration of controls, does not support such a contention. Yesterday cattle prices hit an all-time high on the Chicago market when a record level of \$23 a hundred was reached. Milk prices in New York where 21 cents a quart is being charged reached their highest in 26 years. An over-all commodity price rise of 14 percent since July 1 was reported yesterday by the Bureau of Labor Statistics.

Inflation is a creeping paralysis and the gradual upward climb of prices has not been surprising. No reasonable person expected prices to jump out of sight as soon as controls were removed. Price action has been pretty largely as was

contemplated by those best informed on the subject of controls. The real danger does not lie in what has taken place within 1 week or 2 weeks after the expiration of a price control act. The pertinent question is, What will be our situation some months from now?

It must be remembered that even these few days during which price controls have been lacking have not been days of freedom to those who are seeking large profits, because the Congress is still in session and there is a threat hanging over the country of a return to controls. This has served to sober some plungers, and has been the means of preventing acceleration of the inflationary spiral. An altogether different situation would be presented if Congress were not in session, or were to adjourn within the next 2 or 3 weeks without having placed any lids at all on rents and the prices of other necessities. Under such a condition, skyrocketing of a most serious nature would result.

It has been suggested that the President may recall Congress whenever the price situation appears to be getting out of hand, and that Congress can then enact the necessary controls. That is a most unsound argument because the damage that has been done to our economy cannot be readily or completely repaired.

No wise or prudent citizen cares to set fire to a tinder box in his own house to see how far it will burn, nor does he care to be placed in a position where it is necessary to call the fire department. Economically we are here playing with fire.

The enactment of a reasonable price-control bill by the Congress is vital to our economic welfare. As long as we have shortages in necessities we must have control or we shall have chaos.

The presently amended House joint resolution is not a measure which will prevent run-away inflation or prevent chaos. It is so mutilated that it no longer bears any resemblance to the measure recommended by the Banking and Currency Committee a few days ago. As an inflation curb it is already impotent, and any Senator who is seeking to help build a retaining dam against run-away prices no longer finds within the measure any hope.

The joint resolution as amended strikes the hardest blow against veterans and veteran housing that has been dealt since the end of the war. It is not what they fought for.

There remains only one reason for Members of this body who conscientiously desire proper price controls to vote for this measure as it is, and that is to send it to joint conference with the House in the hope that a reasonable stabilization law may be obtained.

Armed with this measure as a weapon, the task of the conferees appears to be well-nigh hopeless.

The amendment which has just been offered by the senior Senator from Ohio, and upon which we shall doubtless soon vote, is being offered in almost the same form in which the President vetoed it as a part of the previous price-control bill.

In my opinion, it is just another proposal that will completely wreck all possibility of price stabilization, or arriving at a measure on which the Congress and the President can be in accord. If it should be adopted, all price control will have definitely reached the end of the road.

Mr. WAGNER. Mr. President, in view of all the talk about meat, which I understand is a sort of hot potato to those who voted for the decontrol of meat, I should like to read an article from the New York Times of this morning along the line discussed by the distinguished Senator from Delaware [Mr. TUNNELL] today. I read:

MEAT PRICES SOAR TO RECORD LEVELS—BEEF ON HOOF HIGHEST IN 81 YEARS—WHOLESALE FOOD INDEX REACHES 26-YEAR TOP

Prices in the Nation's livestock and wholesale food markets, which had broken 25-year records last week, climbed yesterday to new peaks, with prime beef on the hoof bringing the highest figure in the 81 years of the Chicago Union Stockyards' existence. The new record, \$23 a hundredweight, is 28 percent above the highest livestock ceiling that had been permitted by the Office of Price Administration.

Wholesale food prices were listed by Dun & Bradstreet—

Which is a well-known concern—at the highest point in 26 years. The agency's index of 31 food commodities stood at \$4.88, the highest since June 10, 1920, when it was \$4.89. The highest on record was \$5.30 on July 31, 1919, at the time of uncontrolled inflation after World War I.

I ask unanimous consent that at the conclusion of my statement there be printed the Daily Indexes of Commodity Prices in Primary (Pre-Wholesale) Markets.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

OPA daily price summary—Prices of July 10—Daily indexes of commodity prices in primary (prewholesale) markets

(Movement under "hold the line" and since June 28, 1946)

	Percentage increase	
	May 17, 1946	June 28, 1946
Bureau of Labor Statistics:		
General index (28 basic commodities) ¹	13.1	16.3
12 foodstuffs ²	14.6	25.2
16 raw industrial commodities.....	11.9	10.2
New York Journal of Commerce:		
Daily index (20 sensitive commodity prices).....	15.8	14.3
5 grains.....	39.3	20.1
10 foods.....	-1.6	22.3
5 textiles.....	18.3	3.0
5 metals.....	16.2	4.4
5 miscellaneous.....	2.0	17.1

¹ Most of the 28 commodities (see list on p. 2) used in the daily index are basic raw materials and many of them are quoted on organized exchanges or "futures" markets. The daily index is, therefore, much more sensitive to changes in market conditions than is the Bureau's regular index because the latter includes a large proportion of fabricated and semifabricated goods whose prices usually fluctuate less frequently and within narrower margins. Of the 28 items included in the daily index, 18 were selected because of their importance in world trade; 11 of these 18 are imported in large quantities.

² This group corresponds roughly to the 15 grains and foods reported by the Journal of Commerce in 2 separate groups.

Daily index numbers, spot market prices,¹ and percentage change for 28 basic commodities since June 28, 1946

INDEX NUMBERS	Percentage change, June 28, 1946, to July 10, 1946		
	June 28, 1946	July 10, 1946	Percentage change
General Index.....			16.3
12 foodstuffs.....			25.2
16 raw industrial.....			10.2
11 imported.....			18.9
17 domestic.....			14.8
PRICES			
Wheat:			
Kansas City, No. 2 h. w. bushel.....	\$1.871	\$2.130	13.8
Minneapolis, No. 2 d. n. s. bushel.....	1.885	2.205	17.0
Flaxseed, Minneapolis do.....	3.350	3.750	11.9
Barley, Minneapolis do.....	1.440	1.625	12.8
Corn, Chicago do.....	1.448	2.200	51.9
Butter, Chicago ² pound.....	.560	.719	28.4
Tallow, Chicago ² do.....	.086	.115	33.7
Hogs, Chicago, 100 pounds.....	14.850	17.625	18.7
Steers, good, Chicago 100 pounds.....	17.000	18.875	11.0
Lard, Chicago ² pound.....	.140	.180	28.6
Coffee, Santos No. 4, N. Y. pound.....	.158	.215	36.1
Sugar, New York ² do.....	.042	.042	0
Cocoa beans, New York do.....	.090	.138	53.3
Shellae, New York pound.....	.365	.680	86.3
Rubber, New York do.....	.225	.225	0
Hides, Chicago do.....	.155	.225	45.2
Rosin, Savannah 100 pounds.....	6.760	6.950	42.8
Cottonseed oil, New York ⁴ pound.....	.143	.178	24.5
Print cloth, New York ² yard.....	.114	.114	0
Silk, New York pound.....	3.080	3.080	0
Wool tops, New York ⁴ pound.....	1.330	1.410	6.0
Wool, New York ² yard.....	1.118	1.118	6.0
Steel scrap:			
Chicago..... ton.....	18.750	18.750	0
Philadelphia do.....	18.750	18.750	0
Tin, New York pound.....	.520	.520	0
Copper, New York do.....	.142	.142	0
Lead, New York do.....	.082	.095	15.9
Zinc, New York do.....	.087	.099	13.8
Cotton, average, 10 spot markets..... pound.....	.310	.335	8.1

¹ Spot (cash) prices in primary markets except where otherwise indicated.

² Wholesale price.

³ Approximately 75 cents above maximum compliance price.

⁴ Futures market.

⁵ Silk carried at ceiling price pending resumption of trading in significant volume.

Source: Bureau of Labor Statistics, U. S. Department of Labor.

Prices of 30 sensitive commodities and percentage change since June 28, 1946

[New York markets except where noted]

	June 28	July 10	Percentage change
Grains:			
Wheat, Kansas City..... bu.....	\$1.97	\$2.16	9.6
Corn, Chicago..... bn.....	1.44	2.18	51.4
Oats, Chicago..... bu.....	.86	.90½	12.2
Rye..... bu.....	1.76		
Barley..... bu.....	1.60	1.74	8.8
Food:			
Flour..... 100 lbs.....	3.75	5.35	42.7
Beef..... lb.....	.208-.218	.258-.52	24.0
Pork..... lb.....	.24½-.25	.27-.48	11.3
Lard, Chicago..... lb.....	.1405	.18	
Eggs..... doz.....	.33	.34-.36	3.0-9.1
Butter..... lb.....	.56½	.73	28.6
Cheese..... lb.....	.3540	(¹)	
Sugar..... lb.....	.04205	.04205	0

¹ Nominal (bid) price.

² June 28 range of prices reflects varying grades. July 10 range reflects lower prices charged by major packers than by others in industry. Percentage increase is calculated only for price at bottom of range.

³ No trading; July 8 price shown.

⁴ No trading.

Prices of 30 sensitive commodities and percentage change since June 28, 1946—Con.

[New York markets except where noted]

	June 28	July 10	Percentage change
Food—Continued			
Coffee.....lb.	\$0.1545	\$0.21½	39.2
Cocoa.....lb.	.0899	.14	55.7
Textiles:			
Cotton, Galveston lb.	.3090	.3340	8.1
Print cloth, 38½ inch.....yd.	.11370	(4)	0
Wool.....lb.	1.05	1.05	0
Silk.....lb.	14.00	9.00	(3)
Burlap.....lb.	.1180	.1180	0
Metals:			
Copper.....lb.	.143½	(4)	-----
Zinc, East St. lb.	.08¼	.09½	15.2
Lead.....lb.	.08¼	.09½	15.2
Tin.....lb.	.52	(4)	-----
Silver, domestic oz.	.70½	(4)	-----
Miscellaneous:			
Hides, Chicago lb.	.15½	(4)	-----
Rubber.....lb.	.22½	.22½	0
Linsced oil.....lb.	.15½	.177	14.2
Turpentine.....gal.	.94½	1.12	18.5
Hogs, Chicago 100 lbs.	14.75	17.75	20.3

³ No trading; July 8 price shown.

⁴ No trading.

⁵ Silk is currently included at ceiling price and current quotations are disregarded pending resumption of significant trading volume.

Source: New York Journal of Commerce.

NOTE ON SUBSIDIES

Beef and pork: Subsidy payments on meat, eliminated June 30, had the following price equivalents at the wholesale level: Beef, \$4 to \$5 per hundredweight (carcass), depending on grade; pork, \$2.30 per hundredweight (carcass).

The elimination of the subsidy on beef, therefore, calls for a rise of 21 percent at wholesale. To date (July 10) the increase in beef prices has been only slightly more than enough to offset the subsidy loss.

While the price of good steers has risen 11 percent (see p. 2), prices on the prime and choice grades (constituting about a third of all beef) have risen 26 percent. A weighted average of prices paid for all steers would show an increase of about 19 percent. Measured from compliance levels (see note 2 on p. 2), the rise is about 24 percent.

Complete reflection of both this rise in cattle prices and the loss of subsidy payments would bring wholesale beef prices 50 percent above the June 28 level, with a similar rise at retail to follow.

On pork a price rise of 12 percent at wholesale (pork cuts and lard combined) would offset the subsidy loss. Adding full reflection of increased hog prices would bring pork and lard prices 31 percent above June 28 levels.

Dairy products: Subsidy payments on butterfat were the equivalent of 12 cents a pound of butter at wholesale (14 cents at retail).¹

The other dairy subsidies consisted of dairy production payments (varied between surplus and deficit areas) and a small-scale regional fluid milk payment program (13 urban areas). The price equivalent of the elimination of these payments, taken in combination, ranges from 1 to 2.1 cents at wholesale. (In the Washington area, the total is 1.7 cents a quart.)

RENT REPORTS RECEIVED FROM FIELD OFFICES, JULY 10, 1946

All areas reporting continued to cite widespread rent increases of severe magnitude and a sharp increase in eviction notices by landlords.

NEW ENGLAND

Maine: Numerous rent increases averaging 50 percent reported.

Vermont: Tourist-home rates doubling and trebling.

Rhode Island: In the first 5 days of July over 300 eviction notices were received, seven times the normal number of receipts for such a period.

MIDWEST

All midwestern area offices reported widespread rent increases ranging from 10 to 300 percent, with most increases averaging between 25 and 50 percent.

In Chicago almost 1,700 eviction notices were reported for the 3-day period July 1 through 3.

SOUTH

All areas report a uniform picture of large-scale rent increases and greatly increased eviction pressure. Examples: Greenville, S. C., rent increases varying from 10 to 200 percent; West Palm Beach, Fla., from 10 to 150 percent; Montgomery, Ala., from 10 to 320 percent.

WEST

San Francisco district: Many rent increases reported ranging from 10 to 286 percent. More than half of the increases reported were in excess of 50 percent.

MIAMI, FLA., July 2.—The Greater Miami Apartment House Association and the Miami Beach Apartment House Owners' Association, representing 25,000 apartment units, voted unanimously tonight not to raise rents—yet.

E. J. Minges, former president of the Miamia organization, in a speech said, "Don't kill the goose that laid the golden egg—yet. We're all tired of collecting low rent, but for goodness sake, let's wait until this corpse is buried. Don't do anything until they get the marble slab on tight. Stay down for a few months. The winter is coming and when that slab is down tight, you can work rents up and then there won't be any OPA for them to fall back on."

Mr. WHERRY. Mr. President, I should like to ask the Senator from New York a question.

Mr. WAGNER. I yield.

Mr. WHERRY. How do those prices compare with the black-market prices?

Mr. WAGNER. I do not know anything about black-market prices.

AFFIDAVIT OF NONMEMBERSHIP IN ORGANIZATIONS ASSERTING RIGHT TO STRIKE AGAINST THE GOVERNMENT

Mr. TAYLOR. Mr. President, I am in an anomalous position. I have been elected by the people of Idaho and found qualified to sit as a Member of this body, but it seems that I may not be qualified to draw the salary of my office. Recently the financial clerk sent around an affidavit for us to sign. In it we had to swear that we were not members of any organization that asserts the right to strike against the Government, and will not join one during our service with the Senate.

I cannot conceive, no matter how hard I try, of any circumstances in which a United States Senator would want to strike. If any of us wants to stay home, we can do that without striking. The guides are always ready to explain to tourists that the empty seats represent Senators who are at committee meetings or away on other official business. I suppose an absence of a quorum can be interpreted by highly sensational minds as a strike, but that seems very far-fetched. In short, I just cannot under-

stand why we should be expected to strike. Nevertheless, this affidavit has been distributed to us for signature.

Unfortunately, I find myself unable to subscribe to that oath, and for no fault of my own. I have never struck against the Government or against a private employer, but I happen to be affiliated with the Sheet Metal Workers International Association, a union which is affiliated with both the American Federation of Labor and the railroad brotherhoods, and I might say, in passing, that I am proud of that affiliation. It is true that my connection is an inactive one. During the present interruption in the useful toil of sheet-metal work I hold what is known as a "withdrawal card"—I pay no dues, but I still have certain rights and obligations.

I have no more intention of dropping that membership than any of my colleagues have of dropping their membership in the American Bar Association. I think that it makes me a better Senator. The feel of that little card in my back pocket reminds me of where I come from, reminds me that I am one of the 99 percent, and that I am making laws for that 99 percent. It reminds me of the men I have worked with, and whom I want to face with a clear conscience when I walk in the street or ride a trolley, so I am not going to give it up. I would not represent my constituents as well without it.

Accordingly, I took steps to ascertain whether this affiliation would prevent my signing the affidavit. I checked with the union, and was informed that its constitution is silent on the specific point of strikes against the Government.

I next checked with the Legislative Reference Service. They quoted a passage from a book entitled "One Thousand Strikes of Government Employees," which stated that the building trades unions, including the sheet-metal workers, acknowledged that their employees had on several occasions struck against Government agencies with the full support of their national organizations. It stated that "the power to strike had been extremely valuable in dealing with private contractors on public construction, and although it was not necessary in dealing with public agencies, the unions felt that it was a right which had to be preserved."

Let me remind the Senate that in peacetime there are no strikingly apparent differences between the social consequences of a work delay on a new post office or Government housing project on the one hand, and a privately owned telephone building or apartment house on the other. If nonunion labor is brought into any of these jobs, or if the pay or working conditions are substandard, naturally the union men quit. That is the device which they have used for many years to protect their job security, wages, and working conditions, and it is naturally jealously guarded.

In view of these facts, I am certainly not prepared to swear that my union does not assert the right to strike against the Government, nor am I prepared to swear that my present affiliation does not constitute "membership" within the terms of the law, and so I have found it

¹ These figures represent correction of those used in earlier editions of this note.

necessary to eliminate those clauses before signing the affidavit. I cannot take an oath lightly nor do I wish to resolve all of my various doubts in my own favor. In submitting the affidavit to the Senate Disbursing Office, I wrote as follows:

Mr. OCO THOMPSON,
Financial Clerk, United States Senate,
Washington, D. C.

DEAR MR. THOMPSON: I am returning herewith an executed copy of the personnel affidavit submitted by your office. You will note that I have stricken out clauses (b) and (c) which read: "(b) am not a member of any organization that asserts the right to strike against the Government of the United States; (c) will not become, during my service with the Senate, a member of any organization that asserts the right to strike against the Government of the United States." I find that I am unable to subscribe to these clauses with any degree of assurance. I am associated with the Sheet Metal Workers International Association which is affiliated with the American Federation of Labor and the railroad brotherhoods, and after a careful study of the history, constitution, and bylaws of that organization, I am unprepared to swear that it does not "assert a right to strike against the Government." While I have never been called out on strike, nor can I conceive of any occasion when my affiliation with this organization would interfere with the diligent performance of my duties, I feel disinclined to take an oath lightly or with reservations. I am extremely proud of my association with the sheet metal workers and have no intention of resigning from it. Under the circumstances, therefore, I felt compelled to omit clauses (b) and (c) from the affidavit, and respectfully suggest that, in the absence of this prima facie evidence you conduct whatever investigation is necessary to satisfy yourself of my eligibility to draw my salary. In this connection I shall be happy to supply you with any additional facts which you require and I am sure that the union also will be glad to assist you.

I deeply regret the burden that is placed upon your shoulders and the confusion and uncertainty which is undoubtedly being caused throughout the Government by this law which was enacted as a rider to an appropriation bill.

Sincerely,

GLEN H. TAYLOR.

Mr. President, the result, as can be seen, is an incongruous one. It seems unfair that I should serve without salary while other Senators should be paid for their services.

This, Mr. President, is the result of legislation by rider. The antistrike provision did not come in on its own feet. It was never referred to the committees that normally consider such subjects and have acquired experience and competence in them. It did not go to the Committee on Education and Labor which has given so much careful study to the problems of labor and of unions. It did not go to the Civil Service Committee, whose members are so conversant with personnel and management relations within the Government. There were no open hearings in which interested parties could point out the consequences of the legislation or make suggestions for changes or improvements. Instead, it was hastily tacked onto a bill containing a completely different subject matter—an appropriations bill. The Appropriations Committee had considered at very great length the budgetary problems of the various Government agen-

cies. But it has never been concerned with this subject of personnel management nor did it inform itself by inviting interested parties to come and testify.

The provision was drafted in white heat in a period of bitter antilabor feeling which was engendered by the newspapers and magazines during the recent wage negotiations, strikes, and lock-outs. I may add, Mr. President, that the radio had its part in inciting this strong feeling toward labor. I heard many inflammatory radio broadcasts at about that period of time. It passed as a rider to an extremely important appropriation bill whose immediate passage was absolutely necessary to provide for the continued functioning of the governmental establishment. It is similar, in that respect, to the rider which required the dismissal of Lovett, Dodd, and Watson, which President Roosevelt was forced to sign against his wishes in order to keep the Government in funds, and which the Supreme Court has since found to be unconstitutional. It was tacked on in disregard of our own parliamentary rules which prohibit legislative riders on appropriation bills. This rule was invoked against me when I attempted to attach another rider which would provide for collective bargaining inside the Government, but it was forgotten when the antistrike rider was proposed.

In time of war or other national emergency, labor should refrain from strikes, no matter how great the provocation or how enormous the profits of the corporations. During World War II it performed this duty magnificently. Labor unions in the Government should refrain from striking on jobs of certain type at any time. But the Government should not take refuge in this exemption too often. It should be a leader, not a laggard, in employment relations. It should not discourage the organization of its employees, because that sort of organization often serves highly useful functions. When confronted with grievances it should face them fairly and logically, and not wrap itself in the flag and cry patriotism. A ludicrous example of that primitive attitude appeared in the Philadelphia papers on Tuesday night. Governor Martin, of Pennsylvania, is the man who raised the cry. He said that the sovereign State of Pennsylvania would not tolerate a strike against the Government, and he spoke as though the very foundations of the Commonwealth were shaking. But I wonder if the threatened strike would seriously have injured the sovereignty or dignity of the State. It happened to involve the employees of the State liquor stores.

None of us approves of strikes of Government employees but I doubt that any of us seriously felt that there was any danger of such strikes. Government unions have made valuable contributions. The democratic system of constructive criticism from the bottom up has improved the efficiency of many agencies. The settlement of grievances has improved morale. The various Government unions have frequently appeared before the Civil Service Committee and have given it valuable suggestions. They have helped to enforce good personnel policies of departments when

petty supervisors were too lazy to observe them. They have developed labor-management committees. They have opposed unfair discrimination. The present attack upon these unions does not stem from any real fear of a strike. It is merely part of a hatred of unions and labor which still exists in many quarters. It is just one move in a "get labor" drive.

The effect of this rider will be the further harassment of a favorite scapegoat—the hard-working Government employees. I think a great injustice has been done to them and to me, and I hope that this body will soon make amends. Most of them are unable to assert their rights or to question the validity of this rider even though they know it is unconstitutional. I feel that I have a duty to raise this question. The people of Idaho have a right to equal representation, and they have a right to know that their Senators are paid at the same rate as the Senators of other States.

In addition to that statement, Mr. President, I will say that I have been informed by one who has recently called the Sergeant-at-Arms of the House of Representatives, that they have not sent this affidavit to the Members of the House of Representatives. There seems to be some confusion there also. Senators are obliged to swear that we are faithful, patriotic citizens, but the Representatives are exempt. Mr. Oco Thompson, our financial clerk, when this discrepancy was brought to his attention, said that the Sergeant-at-Arms is taking a chance, as the act states that anyone who is paid must first have signed the affidavit.

A rather amusing incident occurred the other day. I was mentioning this subject before a group of Senators and one of them, who has voted every time it has appeared for this rider to require Government employees to sign the affidavit that they are faithful law-abiding citizens, was very much incensed, and he said, "Well, I do not see why they should send the affidavit to Senators," as though Senators were some sort of special individuals. I do not feel that way about the matter, Mr. President. I believe that the feelings of the humblest Government worker, his pride in American citizenship, is just as valuable an asset to him as are my own feelings on the matter. If the affidavits are going to be sent to street sweepers in the Government employ, then the affidavit should be sent to me by all means. I have been sent one, and I have been unable to sign it, and there the matter rests. It is up to Mr. Thompson to make the next move, and we will see whether or not I am eligible to be paid.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. TAYLOR. Mr. President, I should like to make a few remarks on the OPA legislation before us. At various times certain sections of the press have accused me of being a Communist,

or of having communistic sympathies. Indeed, in Idaho they are preparing to fight the fall campaign on that issue—Americanism versus Taylorism. That is a new ism that has sprung up in America—at least in Idaho. When I sponsored the peace conference which was held here in Washington some time ago I was accused of being a Communist, because it was said that there were some individuals affiliated with this new peace conference who were also affiliated with Communist organizations. I do not know. Perhaps there were. But if there are Communists who are in favor of peace, we have at least that much in common, and on that score at least I can call them brothers. If I were to refuse to be a party to any organization which has enjoyed Communist support at times, I would have to withdraw from the Democratic Party, because we have had the support of Communists at various times. I can say also that the Republicans would have to disavow their party, because the Communists have supported the Republicans at times. That statement may seem strange to the Republicans. I suppose the Communists have not supported them as often as they have supported the Democrats, but I will say that the more violent elements of the Communist Party support the Republican Party.

When I was working in a defense plant a welder was working with me. We used to argue politics hot and heavy. He hated Roosevelt with an undying hatred, and I would defend Roosevelt. He was a very agreeable fellow in all other respects. However, we could not agree politically. I look back with a great deal of pleasure on my association with the man, and even the arguments which we had.

Finally the reason for his hatred of Roosevelt came out. He said that Roosevelt had stepped in just when Herbert Hoover had us on the verge of revolution, and that Roosevelt had saved capitalism, and therefore he hated Roosevelt bitterly. He thought Hoover was a great man because he had almost brought us to a revolution, something that the Communists had never been able to do.

That was before the 1944 elections. His first choice for President was Mr. Bricker, of Ohio. He said that Bricker would be his first choice because Bricker would more quickly ruin the country and bring on the revolution. His second choice was the Senator from Ohio [Mr. TAFT.]

So we find the very violent Communists, who want the revolution, supporting the Republicans. When we accuse a man of associating with Communists, it is a question of which foot the shoe is on.

I have before me a clipping which brings that issue into clear relief. First I should like to have printed in the RECORD at this point as a part of my remarks an editorial from the Washington Evening Star of July 4, with relation to inflation in Hungary. The editorial states that at one time the pengo was worth 17 cents in our money, but on July 4 it had reached the low state of one million trillion pengos to the dollar. It was depreciating quite rapidly. The people of Hungary are forced to use gunny sacks and

wheelbarrows to carry their money around with them, with which to buy ham sandwiches—if they can find the ham sandwiches.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INFLATION IN HUNGARY

Hungary now is experiencing the ultimate in inflation, probably the worst ever suffered by any country in history, not excepting Germany after the First World War. Money, in effect, has become virtually meaningless there, and the price of the smallest commodity must be calculated in terms of figures that are literally too astronomical for the average mind to comprehend.

In prewar days the pengo, Hungary's basic monetary unit, was worth about 17 cents in our money. But today its value is so infinitesimal that it would have to be multiplied 30,000 trillion times to equal the value of a dollar. In the normal past a Hungarian would have been comfortably fixed if he earned 400 pengoes a week, but to be as well off now he would have to earn something like one million trillion pengoes.

Since this situation grows worse from hour to hour, the wages of Hungarian workers undergo daily adjustments to keep pace with soaring prices, which are some 125 trillion times what they were when the inflation first started. The Budapest government has worked out a program of stabilization, but until that takes hold the people of the country are going to continue to suffer. It is an economic tragedy of the first magnitude, and to visualize it Americans need only think of what would happen to them if our monetary structure suddenly collapsed and things like a loaf of bread cost a couple of billion dollars.

Special factors, of course, account for Hungary's grave plight; yet, even though those factors do not figure in our own picture what has happened over there makes apposite reading for us. We have had little bits and starts of inflation already, and since these have a way of gathering weight and momentum they can become wild and overwhelming unless effectively controlled, unless effectively controlled, as President Truman has said. Relatively speaking, our money is by far the strongest in the world, but it can be hit very hard by a too-hasty decontrol of the economic forces that could crack it. The story of Hungary should give pause to any American who would take all barriers down at once and without further ado.

I have before me a news dispatch from Budapest dated July 8, which reads as follows:

[From the Washington Post of July 9, 1946]
JUST WASTE PAPER—PENGO PLUNGE ADDS TO
CRISIS IN HUNGARY

BUDAPEST, July 8.—Hungary's cabinet crisis was sharpened tonight when the nation reached the apex of inflation and value of the pengo plunged to such infinitesimal depths that the currency became useful only as second-hand paper.

Some anti-Russian Hungarian quarters blamed the Communists for bringing on the first recorded case of complete inflation in the annals of modern history.

These embittered financial circles charged the Communists started the wild wave of inflation a year ago by forcing the lifting of all price controls, causing the pengo to plummet from its prewar value of 20 cents to the new ratio of a thousand billion trillions per dollar over the week end.

So, Mr. President, today we have the spectacle of the Republican Party following the Communist line and seeking, by removing all price controls, to bring on in America the kind of inflation which

has come to Hungary. At least that is the situation according to financial circles in Hungary. That is their theory. If they are consistent, if we were to tell them what the Republican Party was trying to do in America they would doubtless lump them in with the Hungarian Communists, and say that they were all out to ruin the world and private enterprise generally.

I should like to read a few excerpts from Business Week of July 6, 1946. This is from the colored page in the front of the book, which appears nowadays in many very businesslike publications. This is supposed to be the "hot stuff right of the griddle." It is semisecret. Business Week says:

Efforts of big manufacturers and retailers to hold prices at least temporarily, may affect congressional action importantly.

The article is discussing the OPA.

If price rises the next few days are not sharp, there will be less push for a new law. Soon it will be mid-July, time to adjourn in any ordinary year. And this is an election year.

And if initial price rises aren't too sharp, there is a chance that the consumer rush to beat the upward spiral will moderate for a time.

In other words, Business Week is passing out a tip to the boys that if they can only curb their impatience for a few days, until Congress adjourns, and not raise prices too much, no price legislation may be enacted, and then they can raise prices to their hearts content.

The article continues:

Production is the only thing that can prevent a destructive inflation now. And output cannot be speeded by controls adopted in desperation.

Perhaps I agree with that. But also, Mr. President, I wish to point out that if price rises continue, all the labor settlements which have been made during the past few months, literally with blood, sweat, and tears, will go by the board. We shall have another round of strikes. Production will lag and prices will increase because we shall not have production. Then whatever settlements we have made with labor will be outmoded. There will be more strikes, further curtailment of production, further price increases; and eventually it is very possible that the American economy will join the pengo and the dodo.

The article further states:

One cynical viewpoint—

I do not know who the cynic is, and the article does not state. At any rate, the viewpoint is credited to some cynic—

One cynical viewpoint on present inflationary conditions is that supply and demand can be brought into balance by letting prices soar.

If milk prices go up several cents a quart, families in low-income brackets will use less.

Mr. President, it may be a sad fact, but is it true, that the low-income families of America are the ones which have the largest families; and naturally they are the ones who need milk. Nevertheless—

If milk prices go up several cents a quart, families in low-income brackets will use less. The surplus would go into other dairy products—butter, cheese, ice cream—eliminating the shortages in these lines.

In other words, the children of the poor could go without, in order that some pot-bellied war profiteer could have some of the rare cheeses manufactured in the State of the distinguished Senator from Wisconsin [Mr. WILEY]; and we could have ice cream regularly in the Senate restaurant so long as our salaries were sufficient to enable us to buy a dish of ice cream. They will not be adequate for very long if we follow the pengo and the dodo.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. WILEY. Does the Senator realize that the veto of the OPA bill by the President resulted in milk prices going up because the President vetoed the milk subsidy, and that all over the land the increase in milk prices is virtually what the subsidy would amount to?

Mr. TAYLOR. The President did not veto the milk subsidy as such. He vetoed it because it was mixed up with something else that smelled to high heaven.

The article continues:

If auto prices go high enough, fewer people will be able to buy cars—even on time payments—and there won't be any more worry about steel.

Actually, however, a lot of items might sell cheaper without ceilings. Meat and butter could well move above recent official prices but possibly at considerably less than the familiar black-market figures.

Behind all the "maybe" of the price situation, economic factors could hardly be more explosive.

After all that is said in this article, it finally gets down to that statement and points out what the explosive factors are.

Consumers' incomes are rising, the annual rate of \$157,000,000,000 now comparing with the prewar peak of \$160,000,000,000 and with \$93,000,000,000 in 1941.

Incidentally, Mr. President, I told the people of Idaho that America could produce \$120,000,000,000 worth of goods and services. I was called a Communist and a Bolshevik. Those were the gentlest names I was called. They said I was a fool, in fact. But it was not long until we were producing far more than that, and now we are heading toward something a time and a half as great as that figure.

Mr. President, here are some figures sent me by the New Council of American Business, Inc., which is an organization of liberal businessmen set up as an antidote to the National Association of Manufacturers. Here is what they say about this OPA conflict that is going on:

DEAR SENATOR TAYLOR: We respectfully bring to your attention the attached visual presentation of what has happened to prices during the past week. Illustrated in the accompanying chart is the fact that, since controls ran out, commodity price rises in 5 days' time have exceeded by more than 100 percent the annual rate of rises in the 3 years and 3 months between March 1943 and June 1946.

This disorder in the market can be expected to continue. It is inevitable, for example, that the sharp rises in grain and food prices shown in the chart will be fully reflected over a period of weeks in many other items.

Such spectacular price increases clearly endanger the stability of our economy and

put businessmen in an impossible operating position.

Mr. President, remember that this is a letter which a businessmen's organization has written to me. They further state:

Every day the upswing continues, business inequities will be piled up, making restoration of normal marketing processes increasingly difficult; and unfortunately the squeeze will be felt hardest by independent business.

As businessmen, therefore, we are extremely anxious for the promptest possible action in Congress on return of full powers to OPA. An American people, disgruntled over runaway living costs and rents and later sent out to find jobs because of price collapse, will not, in our opinion, be good for business. We are looking forward to immediate restoration by Congress of June 30 ceiling prices.

Respectfully yours,

HENRY L. MCCARTHY,
Executive Director.

Mr. President, I may say that this institution is a bona fide one. I happen to know the president personally. He comes from the State of Utah; and the Senator from Utah [Mr. MURDOCK] can vouch for my statement when I say that Mr. George C. Hatch, the president of the New Council of American Business, Inc., is a substantial businessman in the State of Utah, operating a chain of radio stations there.

Mr. MURDOCK. Mr. President, if the Senator will yield to me, I am very happy to corroborate the statement he has made. Mr. Hatch is one of our prominent businessmen. He is a young man and a progressive and a liberal, and I think he is looked upon as a very stable and substantial member of the business fraternity.

Mr. TAYLOR. That shows the caliber of the men who have organized this New Council of American Business. They are simply unselfish businessmen, more interested in the welfare of America than in any immediate gain. They also have the intelligence to realize that while in an inflationary period they might make immediate profits, it will not be best for them as businessmen or as American citizens in the long run.

Mr. President, with the letter there is enclosed a table entitled "Profits before taxes of 2,152 identical industrial corporations producing 65 percent of all goods." I ask unanimous consent that the table may be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Profits before taxes of 2,152 identical industrial corporations producing 65 percent of all goods

Year	Percent on sales	Average	Percent on net worth	Average
1936.....	10.6	9.2	11.5	9.9
1937.....	10.3		12.3	
1938.....	6.2		5.9	
1939.....	9.3		10.0	
1940.....	11.8		14.2	
1941.....	15.1	24.4	24.4	24.5
1942.....	12.7		24.5	
1943.....	11.3		26.3	
1944.....	10.7		26.0	

Mr. TAYLOR. Mr. President, another table, which is enclosed with the letter, is entitled "One Week of Runaway Prices, Index of 30 Commodity Prices—New York Journal of Commerce." I also wish to have that table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

One week of runaway prices—index of 30 commodity prices—New York Journal of Commerce

	Percent
Rise in 1 week, June 28 to July 5, 1946, without price control.....	11.1
Average annual rise, March 1943 to June 1946, with price control.....	4.5

Price rises of 30 commodities—percentage rise, year 1946

	June 28	July 1	July 2	July 3	July 5
30 commodities.....	Base	6.7	8.9	12.6	11.2
Grains.....	do	13.1	19.1	21.8	19.0
Foods.....	do	.9	9.9	21.7	23.6
Textiles.....	do	.8	.05	0	0
Metals.....	do	0	2.3	4.4	4.4
Miscellaneous.....	do	14.2	7.0	10.8	5.1

Mr. TAYLOR. In other words, Mr. President, in 1 week the cost of living has gone up more than twice as much as it did during any year during which price control was in effect.

Mr. President, I also hold in my hand other letters from the New Council of American Business. I shall not read them, but I also submit them for the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NEW COUNCIL OF AMERICAN
BUSINESS, INC.,

Washington, D. C., July 9, 1946.

HON. GLEN H. TAYLOR,
United States Senate,

Washington, D. C.

DEAR SENATOR TAYLOR: The manufacturers, wholesalers, and retailers who make up the membership of this organization feel that a great deal of misinformation has been circulated about the effect of price control upon production. For that reason we have had charted and reproduced the most reliable information on the subject—the index of industrial production of the Federal Reserve Board. You will find it attached to this letter.

The volume of business of our members, with very few exceptions, exceeds that of prewar years, and we are making more money than we made then. We are, therefore, very much upset over the fact that the Nation's economic system has been upset by the termination of price control. We feel that it is of the utmost importance that Congress restore controls as they were before June 30, with the least possible delay.

Radios, washing machines, vacuum cleaners, refrigerators, and warm-air furnaces are coming from production lines faster than before the war; so are cottons, woollens, rayons, textiles, shoes, and even men's suits. There is every reason to believe, if things are not upset by a runaway inflation, that our industrial output before the end of the year will run as much as 20 percent ahead of output in 1941, the prewar peak year. Should Congress end effective price control on the assumption that we cannot get production under the pricing standards that were in effect before June 30, it will fall victim of a great hoax. The fact is that we have never enjoyed such production as we are getting under price control.

We hope you will find it convenient to study carefully the attached sheet, and that when discussion of production under price control arises, the facts shown by the chart will be of use to you. In the interests of continued high volume production, the independent businessman is anxious to see a fully effective price-control law reinstituted by the Congress at once.

Sincerely yours,

HENRY L. MCCARTHY,
Executive Director.

Volume of industrial production¹
(Federal Reserve Board Index)

Average, 1935-39-----	2 100
1936-----	2 103
1937-----	2 113
1938-----	2 89
1939-----	2 109
1940-----	2 125
1941-----	2 162
1942-----	2 199
1943-----	2 239
1944-----	2 235
1945-----	2 203
January:	
1939-----	2 101
1941-----	2 143
1946-----	2 160
February:	
1939-----	2 101
1941-----	2 147
1946-----	2 152
March:	
1939-----	2 101
1941-----	2 152
1946-----	2 168
April:	
1939-----	2 98
1941-----	2 149
1946-----	2 165
May:	
1939-----	2 99
1941-----	2 160
1946-----	2 160

¹ Measures not dollar value, but units of production.

² No price control.

³ Price control.

⁴ Coal, railroad, and other strikes hampered output. June production probably will exceed that of March.

NEW COUNCIL OF AMERICAN
BUSINESS, INC.,
Washington, D. C., July 10, 1946.

HON. GLEN H. TAYLOR,
United States Senate,
Washington, D. C.

DEAR SENATOR TAYLOR: Mr. Robert R. Wason, president of the National Association of Manufacturers, in testifying before the Senate Banking and Currency Committee on April 23, 1946, said:

"We urge you (the committee) to give the manufacturers of America a chance to turn out the goods with which to smother inflation. To stop this inflation NAM asks that OPA controls be terminated on June 30 of this year."

Congress does not have to remove price controls to see the effect of their removal upon industrial production. For after World War I we had no price control. This time we have had price control. Just what happened both times is shown on the attached chart. Perhaps the facts will surprise you; they emphatically deny Mr. Wason's claims. They show that whereas production without price control after World War I increased but 17 percent, production for the first 5 months of 1946 with price control is 61 percent above peacetime 1939.

It should also be recognized that production by little- and medium-sized manufacturers always suffers during a period of rapidly rising prices, for in the scramble to build up inventories in advance of price rises big manufacturers get first call upon materials and parts.

We do not face the OPA-less future with "confidence," as the full-page ads of the NAM assume. We are worried. We are worried about our businesses, and our country. We urge the Congress to continue the Government's price stabilization program for 1 year, without emasculating amendments.

Sincerely yours,

HENRY L. MCCARTHY,
Executive Director.

GAIN IN POSTWAR PRODUCTION WITH AND WITHOUT PRICE CONTROL

After World War I: 1919 (first postwar year) over 1914 (last prewar year), 17 percent. No price control.

After World War II: 1946 (first postwar year) over 1939 (last prewar year, rate of production first 5 months), 61 percent. With price control.

Production is excellent, it is not likely to be better, it may be worse if price control ends.

Mr. TAYLOR. Mr. President, the letters also present charts showing the volume of industrial production and how it has risen with price control since the last war ended, and how it rose after the First World War, with no price controls. After the First World War it did not rise very much. Production has risen a great deal more after this war, with price controls, than it did after the First World War, with no price controls. That would seem to me to shoot to pieces the argument of those who say that uncontrolled prices will bring production. They did not bring production after the last war. I see no reason why they should bring production now. After World War I, the gain in postwar production in 1919, the first postwar year, was 17 percent over 1914 production, 1914 being the last prewar year. There was no price control then. This time, Mr. President, in 1946, the first postwar year, over 1939, the last prewar year, production has increased 61 percent, with price control, as opposed to an increase of 17 percent in the comparable period following World War I, with no price control.

Mr. President, in closing I should like to read a paragraph from an article in today's Evening Star. It reads in part as follows:

STEER PRICES EXPECTED TO REACH \$30 LEVEL WHEN SUPPLY SLACKENS

CHICAGO, July 11.—Prime beef cattle sold at the highest price yesterday in the 81 years of the Union Stockyards' existence—at \$23 a 100 pounds, but traders declared that prices might soon go to \$30.

Mr. President, that is interesting, inasmuch as this afternoon we heard the Senator from Nebraska [Mr. WHEERRY] read a statement from the Meat Growers Association, or some such association, saying that they thought prices were well in hand, and that we had nothing to worry about. But these traders, who are not interested in whether we have price control or not, I imagine have come right out and have said what they think. They say that prices may go to \$30.

The article further states:

"There is nothing in sight to stop it," one said. "These current high receipts will peter out before long. Mostly they're stock which has been held back for the last couple of months in expectation of higher prices."

That is correct, Mr. President. We have had so little meat during the last few weeks simply because the Congress was arguing about price control, and the fate of the OPA was uncertain. There would have been a shortage, but it would not have been so severe if we had enacted price controls promptly and with courage, and had done a good job of it.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. TAYLOR. I am happy to yield to the Senator from New York.

Mr. WAGNER. Were we not told that if we would decontrol, meat prices would go below what prices are now?

Mr. TAYLOR. Well, some of them sort of hinted at that. They said at least we would pay less than we have paid on the black market. That did not interest me, because I can say very truthfully, Mr. President, that I never bought any meat in the black market. I am like the Senator from New York: I do not know anything about the black market. True, I have not been able to get any fancy steaks for some time now, but I could get some ox tails and hamburger and bologna and chuck roast once in a while at the corner store. That store belongs to an Italian couple. I went there and talked to them one day about the black market. They said, "Yes; there is a black market; but we are not having anything to do with it."

They know who I am. I said to them, "In all confidence, I want you to tell me what goes on."

They said, "Well, you can get all these fancy cuts of meat, and all the butter you want, if you will go to the black market, but we won't do that. We have three sons in the service." One son had already returned and was working in the store. They continued, "We are not going into the black market."

So they do not have much meat, and very seldom do they have any butter. But as I have said, they do have a chuck roast occasionally and a soup bone. We have gotten along very well. I would very much rather have it that way.

Mr. President, the average working man can get some kind of meat. The ceilings on choice cuts may have been exceeded in the black market, but persons who can afford black-market prices do not buy the poor cuts. They are left to the rest of us. I am not one to haggle over prices, but I do not think they are very bad.

The portion of the article which I was reading concludes as follows:

When they're gone—hang onto your hats!

That is what is stated in the newspaper. It is not my language.

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the further consideration of the pending amendment no Senator shall speak more than once, nor longer than 30 minutes, on the amendment or the joint resolution.

Mr. O'DANIEL. Mr. President, reserving the right to object, it is my understanding that the restriction would apply only to the pending amendment. Am I correct? When the Taft amendment is acted upon the restriction will no longer be in effect.

Mr. BARKLEY. The Senator is correct. My request applies only to the Taft

amendment, which is the amendment now pending.

Mr. WHITE. I am sorry, but I was not present when the Senator made his unanimous-consent request, and I did not hear it.

Mr. BARKLEY. I have requested that, during the further consideration of the pending amendment, which is the Taft amendment, no Senator shall speak more than once, nor longer than 30 minutes, on the joint resolution or the amendment. When the Taft amendment is voted upon and disposed of, the limitation will no longer be in force.

Mr. WHITE. Mr. President, I think the request is a sensible one.

Mr. BARKLEY. I thank the Senator. The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. PEPPER. Mr. President, I send to the desk an amendment in behalf of myself, the Senator from New York [Mr. WAGNER], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Montana [Mr. MURRAY], the Senator from Utah [Mr. MURDOCK], the Senator from Washington [Mr. MITCHELL], the Senator from Idaho [Mr. TAYLOR], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. KILGORE], and the Senator from Illinois [Mr. LUCAS]. The effect of the amendment would be to continue price controls which existed on the 30th of June this year. The sponsors of the amendment do not intend to call it up until the Senate has concluded its consideration of all specific amendments. It is intended by the authors of the amendment then to offer it as a substitute for the joint resolution. If adopted it would have the effect of continuing price controls as they were on June 30 of this year until February 1 of next year.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

RECESS

Mr. BARKLEY. Mr. President, in view of the unanimous consent agreement which the Senate has reached, and in order that Senators may have an opportunity to have dinner, I ask unanimous consent that the Senate stand in recess until 8 o'clock tonight. I express the hope that when the Senate reassembles at 8 o'clock Senators will be in a mood to remain until the Senate concludes consideration of the pending legislation before recessing for the night.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate (at 5 o'clock and 53 minutes p. m.) took a recess until 8 o'clock p. m.

On the expiration of the recess, the Senate reassembled.

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Daniel
Andrews	Hart	O'Mahoney
Austin	Hawkes	Overton
Ball	Hayden	Pepper
Barkley	Hill	Radcliffe
Bridges	Hoey	Reed
Briggs	Huffman	Revercomb
Brooks	Johnson, Colo.	Robertson
Buck	Johnston, S. C.	Russell
Burch	Kilgore	Smith
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Langer	Swift
Capper	Lucas	Taft
Jarville	McCarran	Taylor
Chavez	McClellan	Thomas, Utah
Cordon	McKellar	Tobey
Donnell	McMahon	Tunnell
Downey	Magnuson	Wagner
Eastland	Mead	Walsh
Ferguson	Millikin	Wherry
Fulbright	Mitchell	White
George	Moore	Wiley
Gerry	Morse	Willis
Gossett	Murdock	Wilson
Green	Murray	Young
Guffey	Myers	

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT].

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and it was signed by the President pro tempore.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. BARKLEY. Mr. President, in view of the limitation which we have fixed upon ourselves in regard to debate on the pending amendment, I hope I may proceed without interruption for the length of time I may speak on the amendment, and not on the joint resolution.

Mr. President, I wish to inform the Senate with reference to the committee amendment which is now before it, how it happens to be in the form in which it appears, and the difference between the provision in the joint resolution and the amendment offered by the Senator from Ohio. In his veto message the President made some recommendations with reference to the type of legislation which he desired enacted. He said:

First. The bill should provide for extension of the stabilization laws for a full year.

That is provided in the joint resolution which is before the Senate.

Second. The bill should authorize the continuance of stabilization subsidies on a scale sufficient to avoid serious increases in food prices during the next 6 months and to

permit the orderly termination of subsidies during the first half of 1947. In my judgment, an authorization for the expenditure of a billion and a quarter dollars during the year as a whole is the minimum necessary for these purposes.

The pending joint resolution does not quite comply with that suggestion of the President, because it limits subsidies to \$1,000,000,000 instead of the billion and one-quarter dollars which he suggests.

Third. The bill should lay down a congressional policy with respect to the termination of price controls and subsidies. I approve the provisions of paragraphs (a), (b), and (c) of the proposed new section 1A of the Price Control Act contained in section 3 of the present bill. These provisions call for the orderly removal of all price controls and subsidies during the course of the coming year, with the exception only of those commodities which, on or before April 1, 1947, the President finds to be still in critically short supply and for which he asks and secures authority for continued control to be administered by some established department or agency of the Government other than the Office of Price Administration.

That suggestion is carried out in the measure by the provisions which call for orderly discontinuance of price control and orderly discontinuance of subsidies. The President goes on to say:

I would not oppose the formulation of standards for the decontrol of particular commodities, as provided in H. R. 6042—

The bill which he vetoed—

or the establishment of an independent Price Decontrol Board to review these applications—provided that the standards were modified to make sure that, during the next crucial 6 months, ceilings do not have to be lifted where it is clear that serious price rises would result. The spelling out of detailed standards and the establishment of new and complex administrative machinery, however, do not seem to me to be necessary. If the Congress lays down the declaration of decontrol policy contained in paragraph (b) of the proposed new section 1A, permitting administrative flexibility in its application, I give my personal pledge that the policy will be carried out to the full in spirit as well as in letter.

That specification in the President's message is substantially complied with in the provisions of the pending joint resolution. The President continues:

I ask the Congress also, if it gives me responsibility for carrying out a measure of the kind I am urging, to permit me to do this through a unified or effectively coordinated administrative organization and not to handicap me by legislating an unsound split of authority.

I have no doubt that the President there is referring to the provisions of the bill which he vetoed placing the responsibility for decontrol or for adjustment of prices on agricultural products with the Secretary of Agriculture, instead of centralizing that authority as heretofore in the Price Administrator. To that extent the pending measure does not comply with the suggestions of the President. But I might say in that connection that it was felt, in view of the overwhelming sentiment as expressed in the committee and in the two Houses of Congress, that the Decontrol Board should be retained in the same language and under the same

terms as provided in the bill which was passed by the two Houses and embodied in the conference report; and, in view of the strong sentiment in behalf of providing that the Secretary of Agriculture should have primary responsibility with respect to agricultural products, it did not seem to me, and undoubtedly did not seem to the committee, that the divided authority provided in the other bill and in this measure should be deleted, and, therefore, in that respect it does not comply with the suggestions of the President.

The President continued:

Fourth. The adjustment of product prices to make possible the maximum total production is, of course, one of the fundamental requisites of good price administration during this final transition period. I do not believe that any change in the present law is necessary to assure that such adjustments are made. To put the matter beyond doubt, however, I would not object to a provision which expressly requires the adjustment of price ceilings wherever this is necessary and would be effective to increase the total production of needed goods.

I might say that one of the provisions of the amendment which is now before the Senate and is in dispute provides the standard and measurement which the President had in mind in suggesting that price ceilings be tied in with the problem of production, which has been the theme song all along from the beginning of the consideration of this legislation in regard to price ceilings. Prices ought to be raised in order to stimulate production. That was the primary motive which has actuated all those who have urged an increase in price ceilings in order that production might be stimulated, to the end that ultimately ceilings might entirely be removed, on the theory that increased production would bring about a balance between production and demand which would automatically adjust the question of prices.

It was in that spirit, Mr. President, that after the President's veto, and after the House of Representatives passed House Joint Resolution 371 extending for 20 days the price control act then in force, in the hope that during that 20 days we might write a constructive measure for the continuation of price controls for a period of 1 year, I undertook, along with other members of the committee and other members of the Senate, to work out a bill which substantially complied—not in toto, but substantially—in its major objectives with the suggestions made by the President in his veto message.

When House Joint Resolution 371 came to the Senate and was referred to the Committee on Banking and Currency, and the committee met to consider it, the committee decided, instead of passing a stop-gap, 20-day extension, that it would undertake to write a bill. In the committee I moved, as I now recall, to strike out entirely the language of the House joint resolution and to substitute the bill in its place. That motion was agreed to, and I offered the bill just as it had been sent to the President, and just as it had been vetoed by him, with the exception that I omitted entirely any reference to section 11, known as the Taft amendment, which the President in

his veto message referred to as the Taft amendment in order to identify it, because it had been known everywhere, here and elsewhere, as the Taft amendment, and also the Wherry amendment, which was referred to and was known as the Wherry amendment. I offered the bill almost verbatim as it had been agreed to by the conference, minus the Taft amendment and any reference to it, and minus the Wherry amendment and any reference to it, with a provision at the end of the bill undertaking to take care of the interim period between the expiration of the law and the date of its reenactment.

When I offered that bill as a substitute in the committee for the House joint resolution, the Senator from Ohio [Mr. TAFT] offered as an amendment to it the original Taft amendment, without change, which was contained in the bill vetoed by the President. Of course, it seemed to me, and I felt that it seemed to a majority of the committee, that to send back to the President identically the bill he had vetoed, would be an act of stupidity on the part of the Senate, if not an act of disrespect to the President of the United States, in that we were sending back to him the very bill he had vetoed, in spite of his serious objections to certain provisions of that bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I asked that I might be permitted to continue uninterrupted; otherwise I should be glad to yield.

The PRESIDENT pro tempore. The Senator from Kentucky declines to yield.

Mr. BARKLEY. The time is limited, and I want to cover the situation so there will be no misapprehension as to how the bill came to the Senate in the form in which it now appears.

When the Senator from Ohio submitted as an amendment the original Taft amendment, as it had been vetoed and criticized by the President, which had been the most objectionable part of the bill which he vetoed, I felt it my duty, if the committee or the Senate were going to adopt anything in lieu of section 11, which the President had criticized in his veto message, to try to work out something that might be regarded as acceptable all around, both to the President, to the committee, to the Senate, and to the Congress. I made several efforts to write a substitute. I had a number of drafts which I wrote out, some of them in my own handwriting, some of them on the typewriter, and one or two I dictated.

During the process of trying to arrive at an agreement I conferred with the Senator from Ohio because I felt that in an effort to arrive at a reasonable compromise which might be acceptable all around I owed it to the Senator from Ohio to confer with him, and I was glad to do so. I am always glad to confer with the Senator from Ohio. We are on the Finance Committee together. We are on the Banking and Currency Committee together. We are usually pretty busy members of both committees, and I have always found pleasure in conferring with the Senator from Ohio in attempting to settle matters as to which there is a dispute, so that we may

arrive at some point of accommodation and agreement.

We were in session for 2 or 3 days with respect to this matter. We met first in the committee room of the Committee on the District of Columbia, because the Senate was in session and we desired to be close at hand in case we were needed on the floor. We were in session there all of one day. Late in the afternoon members of the committee suggested that it might be a good idea to invite Mr. Porter, the Price Administrator, who would have to administer any law we might enact, to come before the committee the following day to see whether he had any suggestions to offer to the committee, in an effort to arrive at a compromise. The committee agreed to invite Mr. Porter, which was entirely proper. When the Committee on Banking and Currency had before it legislation dealing with the RFC, it always invited Mr. Jones, who was head of that organization; and after he retired from the chairmanship of the Board, it invited former Senator Henderson, the present Chairman of the Board. When it has had before it legislation dealing with the Export-Import Bank it has always invited the head of that organization to come before the committee and consider proposals and make recommendations. Anyone who must administer a law which Congress is to enact would ordinarily be expected to advise the committee and sit with it in connection with any provisions of the legislation which he would have to enforce. The same is true of the Secretary of the Treasury and the Secretary of Agriculture. So there was nothing unusual or out of the way in the committee seeking to have Mr. Porter, the Administrator, come before it the next day to discuss what we had under consideration and to offer any suggestions he might have to offer, for whatever they might be worth in the consideration of the committee.

The following day Mr. Porter came. Mr. Field, the general counsel of the OPA, had been sitting with the committee at its own invitation for many weeks. He sat with the committee when it held hearings on the bill. He sat with the committee when we were in executive session, trying to frame a measure, and after the Senate passed the bill he sat with the conferees, at their invitation, during the entire conference. He sat with the committee during its sessions in the room just off the Senate Chamber and in the committee room in the Senate Office Building.

So the committee suggested that we invite Mr. Porter to come before the committee the next day to offer any suggestions which he might have to offer to the committee. Mr. Porter appeared the next day, and all that morning we discussed the phraseology and the meaning of the amendment which had been offered by the Senator from Ohio in the form of his original section 11. We also discussed a tentative draft which I had written in a rough way—I think it was my second draft—and which is practically embodied in the amendment now offered by the Senator from Ohio as a substitute for section 11. We discussed that question all morning, from 10

o'clock until 12 or 1 o'clock. We did not agree. We were feeling our way in a perfectly frank manner.

Then I suggested to Mr. Porter that, inasmuch as there was some disagreement with respect to the meaning of the language which was contained in the tentative draft which I had submitted purely as a tentative draft to see how far we might go toward an agreement, during the noon hour he should offer any constructive suggestions which he might have in mind in order that we might consider them when we assembled at the afternoon session.

We reassembled at 2 o'clock, as I recall, and resumed the discussion of section 11, the controversial subject which has been the crux of the President's objection to the bill. Finally I said to Mr. Porter, "Before we recessed in the morning I asked you whether during the noon recess you would suggest a constructive proposal upon which we might base a proposition which might bring us together in drafting section 11 of the bill. I should like to know whether you have done so." Whereupon he did make some suggestions. We did not accept the suggestions which he made in their entirety. One of the suggestions which he made was considerably modified upon my own motion. I wish to call attention to it, because much has been made of it, and I think it has been exaggerated beyond its importance.

I had written out a new section 11, which was about the same as had been contained in the original section 11, merely stating that the Emergency Price Control Act was amended by adding a new section, section 6, in which it was stated that for the purposes of this section the base period shall be the calendar year 1940, or in case of an industry customarily keeping its accounts on a fiscal-year basis, the industry's fiscal year 1940.

There was no objection to that. The President had objected to the 2 weeks in October 1941 as the base period, notwithstanding the fact that in the original Price Control Act we had used that period of 2 weeks as a basis for certain purposes of the act. But in this new formula for pricing with respect to manufacturers and processors, in the bill which the President vetoed, we had fixed the period of 2 weeks beginning October 1 and ending October 15, 1941. The President objected to that period because, in the first place, it was a period of high prices and high profits. We had gotten well into the war, which had begun in September 1939. We had gone through the remainder of 1939 through 1941, and up to October 1941, more than 2 years after the beginning of the war, during which 2-year period there was a gradual creeping up of prices because of the war, although we ourselves had not become involved in the war. However, the very effect of the war was to increase prices all over the world, and especially in this country.

So in order to meet that objection, I felt that the calendar year 1940—not any single 2-week period, but the entire calendar year 1940, which was a fairly representative year with respect to industry—should be taken as the base pe-

riod, instead of a 2-week period in October 1941; or if any industry used a fiscal-year basis instead of the calendar year, the fiscal year 1940 should be taken as the base period rather than the calendar year. There was no objection to that.

Then we came to subsection (b), in which we said—and this is the language of my proposed amendment:

In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment.

I attempted for the first time in this standard of price fixing for manufacturers, processors, and producers—we had added producers in conference—to tie in prices with production and employment. No one could object to that, because in the employment legislation which was enacted 3 or 4 months ago we provided especially that the keynote of that legislation was to be full production and full employment. So I attempted to tie full production and full employment with price ceilings in the new standard which was to be established for manufacturers, processors, and producers. So—

In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period—

That is, during the entire year 1940—plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period.

In other words, under that language the Price Administrator was instructed to accord to industry the average dollar price of the product during the base period, plus the average increase in cost of producing it during the period between 1940 and the date of the enactment of this law, or the date on which the Administrator might pass upon a possible price increase.

Then the following language was written into the bill, not as suggested by Mr. Porter, but to carry out an idea which he had suggested to us. This is part of the language to which the Senator from Ohio objects:

But the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

That simply means that the industry shall be accorded the average total current costs of its product, whether produced, manufactured, or processed, plus the industry's average over-all profit margin on sales during the base period, which is 1940.

I ask whether there can be any possible or fair objection to that provision, which awards to industry all it is costing to produce, on the average, the commodity on which it asks an increase in price, plus the average over-all profit which the industry was obtaining in the base period of 1940. It seems to me that that pro-

posal is as fair as it could possibly be in order to establish a standard of fairness in the matter of pricing in the future, so long as this law shall remain in force, for articles produced, manufactured, or processed. It will be recalled that the original Taft amendment used only the words "manufacturers and processors," but in conference there were added the word "producers" in order to include farmers, petroleum producers, coal producers, and any other kind of producer who was not a manufacturer or processor, so that the same standard would apply to all producers, no matter what they produced. The same standard which applied to manufacturers and processors would apply to producers.

Subsection (d) reads as follows:

Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

Nobody objects to that. That is not involved in the controversy here. That was put in simply to make sure that we are not undertaking to guarantee to any individual producer or manufacturer or processor that he should always, in all instances, and without regard to his efficiency or anything else, have all that it costs him as an individual to produce a given product.

We also provided that—

(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act.

That has been the law all the time. In individual cases the Administrator could make adjustments in prices to deal with individual cases where hardship was shown. That is exactly the law as it has been.

Here is another provision to which the Senator from Ohio objects, and which is left out of his amendment:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

Mr. President, the entire theory upon which the increase in prices has been advocated and urged has been that it would stimulate production, that it would bring about an increase in production, so that industry might then be entirely released from the restrictions of price control. On the theory that an increase in prices would so increase production as to bring about a balance between production and demand, so that price restrictions might be removed this language was inserted by the committee. I may say in that connection that during the process by which I was attempting—

The PRESIDENT pro tempore. The time of the Senator from Kentucky on the amendment has expired.

Mr. BARKLEY. Mr. President, I shall be compelled to take some time on the bill.

During the entire period when I was attempting to adjust this matter so that the committee might agree upon it without any division, amendments were being suggested. Amendments had been offered by other members of the committee. The Senator from Indiana [Mr. CAPEHART] suggested an amendment. The Senator from California [Mr. DOWNEY] suggested an amendment.

Mr. TAFT. Mr. President, I had understood the agreement as to time was that 30 minutes should be allowed altogether. Of course, I should be glad to ask unanimous consent—

Mr. BARKLEY. No, Mr. President; the Senator from Ohio misunderstood the situation. I said 30 minutes on the bill or on the amendment.

Mr. TAFT. Mr. President, what was the agreement?

The PRESIDENT pro tempore. The present occupant of the chair was not present when the agreement was made, but he is advised by the Parliamentarian that the agreement was 30 minutes on the amendment and 30 minutes on the bill.

Mr. TAFT. I did not so understand, but I am perfectly willing to have the Senator take further time. I thought we might get through earlier this evening if the rule were 30 minutes altogether.

Mr. BARKLEY. I appreciate that, and I am sorry I have already consumed 30 minutes on the amendment.

Mr. AIKEN. Mr. President, is the agreement that each Senator shall have 30 minutes on this amendment, or 30 minutes on any amendment?

Mr. BARKLEY. It is that each Senator shall have 30 minutes on this amendment and 30 minutes on the bill while this amendment is pending.

Mr. MOORE. Mr. President, that applies only to this particular amendment; does it not?

Mr. BARKLEY. Yes; that is all—only to this particular amendment.

Mr. President, as I said, the Senator from Indiana [Mr. CAPEHART] offered an amendment which was under discussion by the committee. The Senator from California [Mr. DOWNEY] offered an amendment, as he will confirm, and it was under discussion by the committee. The amendment offered by the Senator from California contained some suggestions which are almost identical with the suggestions we finally adopted as a part of the amendment which we placed in the joint resolutions.

So when the Senator from Ohio indicates that the committee proposal has been poisoned or contaminated or is to be damned because Paul Porter suggested something, I want the Senate to understand that every Senator on the committee made suggestions and at least two other Senators offered amendments which were considered before we arrived at the language which is now a part of the measure to which the Senator from Ohio objects.

Mr. President, I ask Senators in all fairness whether there is any serious ground for objection to tying in a possible increase in production with the increase in price which we are ordering the Administrator to put into effect with

respect to articles produced or manufactured or processed. The whole argument here, from the very beginning, has been that price increases would be justified in order to increase production, and we have accepted the theory that price increases would stimulate production and thereby sooner bring about the time when all price restrictions might be removed. In order to carry out that theory and that idea, we wrote into this measure the subsection (f) which provides that—

If the maximum prices of a product on the average equal its average current total costs—

In other words, if the producer or manufacturer or processor is guaranteed all that it cost him to produce the product in any given industry—

nothing herein shall require the adjustment of such maximum prices—

In other words, nothing herein shall be mandatory to require—
for such period—

If there is any such period—

if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

Mr. President, the theory was that if an increase in price would not produce any more, and therefore would be merely an increase for the sake of an increase in price, so long as the producer, manufacturer, or processor is guaranteed the cost of his production, nothing herein contained shall require that an additional increase shall be granted him, unless there is connected with the increase the possibility of an increase in production.

Is there anything unfair about that? Is there anything unreasonable about that? Is not that really the basis upon which we have advocated from the beginning increases in prices in order to stimulate production?

There is another clause that would be practicable only by reducing the production of at least equally needed products. That would mean that if an electrical manufacturing company was producing two articles which were equally needed, which were equally in demand by the American people, a price increase would not be guaranteed on one of those products unless it would produce a stimulation of the production of that product or, if it did, if it would not take away from the production of some other product being manufactured at the same time which was equally in demand or equally needed by the American people. I ask you, Mr. President, what is there wrong with that? What is there unreasonable about that? That is all there is. That is the sum total of this controversy between the suggestion as contained in section 11 of the bill which I have reported and the amendment offered by the Senator from Ohio.

The Senator from Ohio, I suppose, has sought to embarrass me or to confuse me by offering as a substitute for what the committee reported a rough draft of an amendment which I at one time submitted for the consideration of the committee as a tentative draft. It was never agreed to. Even the Senator from Ohio

never agreed to it. None of his colleagues ever agreed to it. But it was submitted to the committee as a basis for discussion, and as a basis for discussion only. At no time did the committee ever agree to it. At no time did the Senator from Ohio ever agree to it or agree to vote for it in the committee. Yet now he is trying to hang it around my neck in contradistinction to the proposal the committee did adopt, which I offered. The amendment he now offers was offered by me merely as a working basis. It was for that purpose that I submitted it for consideration and discussion.

I ask the Senate whether in all good faith it is going to take the new Taft amendment because at one time I suggested it as a means of discussion, merely because I did suggest it, and not because the Senator from Ohio ever was at any time the author of it or ever at any time agreed to vote for it. That is all there is; there is not any more in this whole proposition.

I think what the committee has reported is fair and reasonable. Mr. Porter, in response to questions by many of the members of the committee, was asked whether in the form in which it was reported it could be administered and was workable. He said that it was workable, that it could be administered. He was then asked whether, if it was contained in the bill in the form as proposed in the draft, which I think was about draft No. 5, he would recommend a veto because of that section of the bill, and he said emphatically that he would not. The next day the newspapers somewhat garbled his statement by suggesting that he told the committee he would not recommend a veto on account of—

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BARKLEY. If the Senator will make his statement very short.

Mr. TOBEY. The Senator is directing all his remarks to the other side of the Chamber. There are some righteous Members of the Senate on this side of the Chamber.

Mr. BARKLEY. I appreciate the suggestion. Almost always I address the Republican side of the Chamber because the Members there need enlightenment more than do the Members on the Democratic side. [Laughter.] But when I have done that my side of the aisle always complains because I address the Republican side instead of the Democratic side, and this time I thought I would give them a break. [Laughter.]

So, Mr. President, there is the issue. As I was saying, the newspapers unintentionally garbled Mr. Porter's statement and said that the draft would be workable, that it could be administered, and certainly he would not recommend to the President that he veto it on that account.

The newspapers implied that there were some things in the draft, and there are some things now in the pending measure, to which the President objected, but I reintroduced them and urged their passage in an effort to obtain legislation, and bring the other end of the Avenue and this end of the Avenue together in order to get something for

the American people. I still reiterate my hope that if this joint resolution is enacted into law in its present form before the Senate, without these amendments, the President will sign it. I entertain that hope, but not because of anything he said to me. However, I feel that if we can get this measure passed by the Congress and sent to the President substantially in the form as reported by the committee we may end the confusion, the chaos, and the uncertainty which now faces American business, American labor, American agriculture, and the American people generally, and this perennial controversy which has now grown chronic and chaotic may be determined. I hope that we may have a workable law and give to the American people a continuance during the next year of price control in some effective form.

In conclusion, Mr. President, allow me to apologize to the Republican side of the aisle because I have seemingly neglected it. I have not intentionally neglected it. It has been very heavy on my heart, not only tonight but for the past several days.

Mr. TAFT. Mr. President, I wish to pay tribute to the distinguished majority leader. I know that ever since the veto by the President of the first OPA extension bill, the Senator from Kentucky has been anxious to obtain the passage of a satisfactory measure.

I offer this amendment not to put him on the spot, but, because it seemed to me, as we went through the conferences of the committee, that we might arrive at an over-all compromise which, I think the Senator will agree, I indicated I could accept, although I could not promise the support of it on the part of some of my colleagues.

I have never charged the Senator with bad faith, or anything of that sort, and I do not have the faintest idea of such a thing. But he offered the proposal in a spirit of compromise, and I offer my amendment tonight in a spirit of compromise, and not to embarrass the Senator from Kentucky. This is his amendment as well as mine. It is about the fourth draft of the original language. He submitted the amendment to me in his own handwriting. I read it. I suggested some changes. It was rewritten on Tuesday night. The night before the 4th of July the Senator himself handed it out to the press as his suggestion. We went into the committee on the 4th of July and discussed the matter. During the lunch hour the Senator modified, somewhat, the procedure to be followed, and that was the amendment before the committee.

As I have already said, this was about the fourth draft. The fifth draft was Mr. Porter's draft. He was asked in the afternoon what he would submit, and he pulled out of his pocket several drafts. The committee unfortunately accepted Mr. Porter's draft.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I am sure the Senator's recollection fails him. Mr. Porter suggested some additions to the language which I had drawn. I did not

except them as he submitted them. I changed them somewhat and finally the committee adopted it. There were some suggestions made by Mr. Porter to which the committee agreed. But we finally agreed on the language which was placed in the joint resolution.

Mr. TAFT. My recollection is not the same as that of the Senator. Mr. Porter had the draft prepared and during lunch time he pulled it out of his pocket and passed it around to the members of the committee.

Mr. BARKLEY. The draft which Mr. Porter presented was changed, and we later agreed upon the modified language.

Mr. TAFT. And the additional language is what I am now moving, in effect, to strike out.

Mr. BARKLEY. Yes.

Mr. TAFT. Mr. President, the difficulty is quite apparent. A formula may be written, and then the OPA is told that if it does not wish to apply the formula it does not have to do so. That is what this language amounts to. The language in paragraph (f) is:

If the maximum prices of a product on the average equal its average current total costs—

A man must be given his costs; he does not have to be given additional costs—

nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable.

All Mr. Porter has to say is: "I find that a substantial expansion in the use of the product will not be practicable," and he will not have to apply the formula. Of course, he will not apply it—or would be practicable only by reducing the production of at least equally needed products.

Mr. Porter can say, "The people need automobiles, but I think they should have washing machines. If I increase the price of automobiles so that they can be produced in quantity, it might interfere with the production of washing machines; so I will not apply the formula." That is why Mr. Porter wrote that provision. That is why he wanted it in the measure.

It is all very well to say, "Of course, it is all right to do this if you want to increase production," but look at the words Mr. Porter drafted, words which would permit him at any time to set aside the formula. After all the calculations have been made he may say, "Well, that is all right, but I find, in my opinion, that it will not do any good to increase the production; so I will not apply the formula." In effect that nullifies the section.

Mr. President, I also point out the fact that the distinguished Senator from Kentucky accepts the general principle, which is not a new one. It has been written into price-control legislation over and over again. He accepts the principle that the increased costs may be added to the price of 1940. After adding such increased costs a price is arrived at which represents those increased costs. That is a perfectly reasonable principle. If we increase wages and material costs, and we want an article to be produced in quantity, we must in-

crease the price in order to take care of the increased costs. That principle has been accepted by the Senator from Kentucky. But Mr. Porter says, in effect, "After you have figured one formula as provided in the last five lines you must use an entirely different formula"; and under the provision the Price Administrator may apply that formula instead. So, Mr. President, those things which have been written into the measure take all the teeth out of the principle of recognizing increased costs when increasing prices. It is the failure of the Price Administrator to do that which has resulted in shortage after shortage, and that in turn has resulted in interfering with production in the United States. That is the only real interest we have.

The judgment of the Price Administrator has been bad time after time. We have looked to him to correct shortages in butter, we have looked to him to correct shortages in clothing, we have looked to him to correct shortages in millwork, and so forth. The construction of hundreds of thousands of houses for veterans has been started, but none of them can be completed because the builders cannot obtain certain essential articles. I talked today with a group of builders who are trying to get ahead with their construction. They have all taken out permits and have started their work, but they cannot obtain hardwood lumber for floors and simple articles such as nails, because the prices fixed on those articles are such that manufacturers will not produce them.

After all, in my view, the question here is merely whether we want to put this formula into effect or whether we do not. We have written this in before. It is in the Price Control Act, section 2, but in the discretion of the Administrator. I think we should now say to the Administrator, "We want the general rule laid down definitely that increased costs must be reflected in increased prices." That is the only way we can be sure we are going to get production of every article.

Mr. President, that is not an inflationary proposition; it does not mean a speculative increase. The mere fact that demand figures in supply is not going to increase it any further. We give effective control. It is an elemental principle of business that if production is desired the producer must be allowed at least a fair price, a price which will cover his present costs. The costs have been increased. The cost of labor and the cost of material have been increased by the policies of the Government itself. In wartime it was different. If a man did not make money he was a casualty of the war. But now the question is the production of civilian goods, and the only way to get production is to permit the producer to charge enough to cover his costs, and cover the reasonable profit he received in peacetime, under competitive conditions in the United States of America.

Mr. President, that is the principle, all the principle, that is involved in asking that this amendment be made clear and definite and that the Price Administrator be made to adhere to it. I think the Senator from Kentucky realizes that.

He accepted the proposition in principle. He tried to eliminate, and I am perfectly willing to eliminate, the 1941 standard as being too high. I am perfectly willing to agree to some of the other minor changes, which will make the act a little less difficult to administer. I am willing to waive those things, but I do not think we should compromise on the main principle that increased costs must be recognized in increased prices. We can not tell the people of the United States that wages must be increased by 20 per cent, or 25 per cent, and prices be held just where they are; that producers must give the people something for nothing. It can not be done under any circumstances, and I think that until we stop fooling the people, until we get down to the point where we realize we can not increase costs without increasing prices, we cannot hope to get the national economy back on a stable basis.

The issue seems to me somewhat larger than that. The Senator says that this move is made in order that the President may sign the bill. If the Senate means what it says in decontrolling, I suppose the President will find something much more objectionable as a cause for veto than this particular amendment. But, as a matter of fact, the Senator has not agreed with the President. He has disagreed with the President in many respects in which the President specifies he wants the bill changed.

The Senator from Kentucky very courageously says, "No, the Senate has said it should be this way, and I think it should remain that way." Why does he not say that as to this equally essential principle?

The Senator says the President's wish is substantially complied with. What did the President say? He said he objected to a continuance of the subsidies in the amount of a billion dollars, ending April 1. He said it must be July 1, and a billion and a quarter dollars should be provided for subsidies. The Senator says we substantially complied with that by making the expiration date April 1 and providing a billion dollars for subsidies, which is what was in the previous bill. If that is a substantial compliance with the President's suggestion, I do not know how it could be less substantially complied with.

The President says, "I do not like the formula you have in the bill for decontrol, that when supply equals demand, the commodity shall be decontrolled." The Senator says we have substantially complied with the President's demand by keeping exactly the same formula we had all the time, that a commodity shall be decontrolled when supply equals the demand. The Senator says that is a substantial compliance with the President's demand. Of course, it is not. He is insisting on the exact terms of the bill, in spite of the opposition of the President.

The Senator says he has substantially complied with the President's objection to the provision regarding the Secretary of Agriculture. The President objected to what was in the bill giving the Secretary of Agriculture power to raise agricultural prices and decontrol agricultural commodities. The Senator says he

substantially complies by leaving in the bill exactly what was in the bill before, the very thing to which the President objected.

So the Senator has not complied with the wishes of the President, except in one single respect, and in this respect I am willing to compromise, willing to say the President is right to some extent and that I am wrong to some extent. I am willing to accept the compromise which the Senator from Kentucky was in effect proposing when he laid this proposal before the committee, revised it, and finally gave it to the committee.

Why should we not try to retain the essential principles to which I do not think the President objects, eliminating the unessential things and the various provisions which gave rise to a number of objections he made?

Mr. President, there is one thing which I think is a little more fundamental even than that. It seems to me that regardless of the attitude of the President, the Price Administration itself is looking to permanent control. They have never been willing to give up one iota of control as to any important commodity. They have never been willing to move in any respect toward a formula which will be binding on them and force them to put into effect the rule that will lead to production in manufacturing in the United States. The OPA in effect is saying, "We want this to go on just as it was until July 1." That means that they would be perfectly free next year to come back and ask for more, for a further extension.

So far as I can see, every argument which is made today, all the propaganda which is coming in on us today, all the hanging in effigy, all the demagogic appeals which are resounding throughout the country against those who are supposed to be trying to raise the prices to the poor, could be proceeded with just as well 12 months from now as they can be now. We will sooner or later face the question of making the break, the question of when we are going to stop Government controls, Government price fixing, and Government wage interference that goes along with it, and get back to the operation of the American competitive system.

I believe very strongly that we should begin now to show we are not merely talking words, but are going to begin decontrol somewhat ourselves, and show that we really mean what we say in subsection (b) of the joint resolution, which provides:

Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

Those are brave words, those are words and principles agreed to by all the Members on both sides of the aisle, but unless

we implement those words by an actual, clear declaration of policy, unless we ourselves decontrol something and show we mean what we say, unless when we lay down a principle about increasing prices we lay it down without leaving it to the Price Administration to nullify the principle, then I say that next year Congress will be faced with exactly the battle it faces today. We might just as well settle the matter now and determine once and for all that in America we are returning to a system of free competitive enterprise, on which alone the prosperity and successful future of our country can be based.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT].

Mr. TAFT and Mr. BARKLEY asked for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Daniel
Andrews	Hart	O'Mahoney
Austin	Hawkes	Overton
Ball	Hayden	Pepper
Barkley	Hill	Radcliffe
Bridges	Hoey	Reed
Briggs	Huffman	Revercomb
Brooks	Johnson, Colo.	Robertson
Buck	Johnston, S. C.	Russell
Burch	Kilgore	Smith
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Langer	Swift
Capper	Lucas	Taft
Carville	McCarran	Taylor
Chavez	McClellan	Thomas, Utah
Cordon	McKellar	Tobey
Donnell	McMahon	Tunnell
Downey	Magnuson	Wagner
Eastland	Mead	Walsh
Ferguson	Millikin	Wherry
Fulbright	Mitchell	White
George	Moore	Wiley
Gerry	Morse	Willis
Gossett	Murdock	Wilson
Green	Murray	Young
Guffey	Myers	

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

The question is on the amendment of the Senator from Ohio [Mr. TAFT]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll, and called the name of Mr. AIKEN.

Mr. WHERRY. Mr. President, I should like to ask the majority leader, is there a time limit set on this amendment?

Mr. BARKLEY. There is.

Mr. WHERRY. I should like to ask the majority leader if any consideration was given in the committee to the Wherry amendment in connection with the committee amendment which is now in the joint resolution.

Mr. BARKLEY. The Wherry amendment was a different proposition and appears in a different place. The committee did consider it and modified it.

Mr. WHERRY. Would it be in order to offer the Wherry amendment at this time?

Mr. BARKLEY. No. It is an entirely different proposition.

Mr. WHITE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHITE. As I understand, and I ask the Chair if I am correct in my understanding, the question is on the amendment of the Senator from Ohio [Mr. TAFT].

The PRESIDENT pro tempore. That is correct.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. Have the yeas and nays been ordered?

The PRESIDENT pro tempore. They have been ordered.

Mr. TOBEY. And the Senator from Vermont responded when his name was called and voted "nay."

The PRESIDENT pro tempore. The Chair did not hear any Senator vote.

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. After the yeas and nays have been ordered on an amendment can the amendment be amended, except by unanimous consent?

The PRESIDENT pro tempore. Yes; such an amendment can be amended.

Mr. CAPEHART. Mr. President, I should like to take a few minutes on the amendment, if it is in order. I am a member of the Banking and Currency Committee which considered this proposed legislation, and for the benefit of Members of the Senate I should like to review for a few moments several pertinent facts in respect to it. In the pending measure we have taken care of the automobile dealers, we have taken care of the farm implement dealers, we have taken care of the wholesalers who wanted to sell nylon hosiery and were not permitted to do so. By amendments adopted on the floor of the Senate we have provided for decontrolling livestock, livestock products and poultry, and soy beans and cottonseed. In fact, we have taken care of about every class of our citizens with the exception of the manufacturers and processors of America, who through their organizations employ millions upon millions of our wage earners.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MYERS. The measure, as it has been amended, seems to have taken care of everyone in America except the consumers. [Manifestations of applause in the gallery.]

The PRESIDENT pro tempore. Applause in the galleries is not permitted, and the Chair hopes the occupants of the galleries will not violate the rules of the Senate.

Mr. CAPEHART. I might have gotten around to talking about the consumers, Mr. President, had not the Senator from Pennsylvania beaten me to it. I did not know that he was going to make a part of my speech; otherwise I would not have yielded to him. But this measure takes care of about all classes with the ex-

ception of the manufacturers and processors who employ literally millions upon millions of men and women, and employ them at what today, in my opinion, are good wages. They are not as high as I would like to see them, and not as high possibly as other Members of this body would like to see them, but at least our people are employed at wages which in most instances are much higher than they were some years ago.

Mr. President, all in the world the Taft amendment does, if I understand it correctly, is to give every manufacturer and processor an opportunity to make a little profit, or, putting it the other way, at least it gives him an opportunity of pricing his merchandise at a figure which in his opinion will show him a little profit.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. CAPEHART. I am happy to yield.

Mr. REVERCOMB. I should like the Senator to explain to us, and clarify for me subsection (f) on page 26. The Senator is a member of the Committee on Banking and Currency, and I should like to have his views and likewise the views of the majority leader upon subsection (f), on page 26, which is within the purview of this amendment. Subsection (f) reads as follows:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

I wish that subsection might be explained from the Senator's viewpoint, and then I may address the same question to the able Senator from Kentucky.

Mr. CAPEHART. I rather suspect the author of the amendment would be better in explaining it than I am. However, I will make an effort to explain it.

Mr. REVERCOMB. Will the Senator from Indiana yield to me to address the question to the majority leader in my own time?

Mr. BARKLEY. The Senator cannot address me in his own time while the Senator from Indiana has the floor. The Senator from West Virginia has no time of his own now, but if the Senator from Indiana is willing to yield for that purpose in his own time, I am willing to make the explanation requested.

Mr. CAPEHART. I shall be happy to yield a portion of my time for that purpose.

Mr. BARKLEY. The Senator from West Virginia was evidently not in the Chamber when I explained that subsection a short while ago.

Mr. REVERCOMB. I was not. I regret that I was out of the Chamber at the time.

Mr. BARKLEY. My statement in regard to it was that from the very beginning, during the entire discussion with reference to price control, the theme song has been that increased prices would bring about increased production, and that in order to secure

increased production it was necessary to raise ceiling prices. In presenting subsection (f) we have accepted the theory that increased prices and increased production are handmaidens that go along together, and we have sought to tie the question of increased prices with the question of increased production so as to provide that—

If the maximum prices of a product on the average equal its average current total costs—

That is, if the prices which are allowed by the Administrator—

equal its average current total costs—

That is of producing or manufacturing or processing the products—

nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

In other words, so long as a producer, manufacturer or processor obtains the total of his current costs in the production, manufacture or processing of the article, he is not required to be given further increases during any such period, if there is any such period during which such increases in prices would not bring about increase in production, or, if it brought about increased production in one article, it could only be done by reducing the production of some other article that was equally needed or in demand by the American people.

In other words, in the question of increasing production as between equally needed articles the Administrator would not be required to rob Paul to pay Peter in order to produce more of one article, if it meant the reduction in the production of another article of equal need to the American people.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. REVERCOMB. May I ask the able Senator from Kentucky to give us an illustration of a particular industry that will bring the matter home to us.

Mr. BARKLEY. I tried to do that. Let us take the electrical appliances industry, and let us say that the same concern is manufacturing electric washing machines and refrigerators. Both of them, we will say, are in equal demand among the people. If the manufacturer were entitled to an increase in the price of both, based upon the increased production of each article brought about by the increase in price beyond the actual cost of production, then under this formula the Administrator would be required to grant such an increase. But if no increased production were practicable by reason of an increase in the ceiling price of either article, then he would not be required to grant an increase which would go beyond the cost of producing the article; or if he could increase production of washing machines, we will say, by an increase in the price of washing machines, but could only do so by reducing the production of refrigerators, he would not be permitted to increase the price of washing

machines in order to get more washing machines if by so doing the result would be to get fewer refrigerators, on the theory that the demand for washing machines and refrigerators is an equal demand among the American people.

I think that is as good an illustration as I can give.

Mr. CAPEHART. Mr. President, I am certain that that explanation is most clear to all Senators. I certainly cannot understand it myself. I do not know why we do not write in plain language a bill which simply provides that any time a manufacturer can prove by his own figures that he is losing money and not getting his costs out of his manufacture, the OPA shall automatically give him an increase.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BARKLEY. Can the Senator find any language in this provision in the committee amendment which requires that such a manufacturer as I have been speaking about shall produce at a loss? I said that so long as he gets the total of his current average costs, the question of a further increase in price depends upon the response by reason of increased production; but in no case is the Administrator required or permitted to fix a price below the cost of production.

Mr. CAPEHART. We are arguing the same question which we have been arguing for years with respect to OPA. If a manufacturer is making a profit on a dozen items, and losing money on six, but the profit on the 12 is more than he is losing on the 6, he must continue to make the 6 at a loss, because he is making a profit on the 12. As I understand, the purpose of this clause is to enable the OPA to continue to force manufacturers to make some items at a loss, provided that on other items which they are manufacturing there is sufficient profit to cover the losses on the half-dozen items on which they are losing money. That question has been argued time and again on the floor of the Senate. It has been argued in the Banking and Currency Committee hearings. It has been one of the headaches of every Senator.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. KILGORE. Will the Senator please enlighten me as to how the OPA could force any manufacturer to make any item?

Mr. CAPEHART. It cannot force him to make it. That is just the point.

Mr. KILGORE. I gathered from the Senator's statement that there was a way by which OPA could force the manufacture of an item which was sold at a loss. The OPA cannot force the manufacture of any item. All OPA can do is to fix a price ceiling on any item.

Mr. CAPEHART. The Senator misses the point. The point is that under the OPA policy manufacturers are forced not to make certain items. Therefore we have shortages, and consumers have been unable to buy certain items. Naturally no manufacturer will make something to sell at a loss. Because of OPA's pricing policies in the past, manufacturers have not made certain items. In my

opinion OPA would be permitted to follow the same pattern under clause (f) on page 26 of the bill, which would force manufacturers to discontinue the manufacture of certain items in a line on which they were unable to make any money.

Mr. President, I hope that the Senate will adopt the amendment of the able Senator from Ohio. I think it is only fair. It think it is only honest. If we are to legislate for all other classes of people we should enact a law which will permit the manufacturer or processor an opportunity—and nothing in the amendment would guarantee it—to price his merchandise in such a way, in the judgment of the manufacturer or processor, as to show at least a little profit.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. MILLIKIN. Mr. President, I should like to say a few words about the Barkley or Porter amendment. I am not particularly interested in who sired it; I thought I detected the first gleam in the eye of Mr. Porter, but that is not important. Other men have played Trilby to Porter's Svengali. The President of the United States has come under the hypnotic influence of Mr. Porter, and has accepted his advice in preference to that of the Congress and of his great leaders in the Congress. So if there has been a slight disintegration of the previous viewpoint of our distinguished majority leader, I am not surprised. I do not think it makes a great deal of difference. I suggest that the amendment is not a good amendment. Its basic defect is that it proceeds on averages.

I respectfully suggest that in the consideration of a problem of this kind, when we are trying as our first objective to achieve production, we must bring our rules down to the individual who is responsible for production.

It is suggested that no manufacturer and no processor can operate his business on the basis of national averages. No one has ever succeeded in doing so. If we want to bring about production we must devise formulas which will encourage the individual manufacturer or processor to achieve production. When Saturday night comes the man who is employing 25, 50, or 150 workers must put something in the pay envelopes of those workers, he cannot stuff them with national averages. He must put coin of the realm in those envelopes. When he pays his coal bill he cannot give anyone a draft on national averages. He must send a check that will be honored at the bank with coin of the realm, and not with national averages. When the power company sends him a power bill he must send money or the equivalent of money, and not national averages. When he pays his rent he must send coin of the realm, not national averages. When he goes to the bank to borrow money on his inventory, present or prospective, the banker does not say to him, "Give me a balance sheet that will show the national averages." He says, "Give me your balance sheet," which includes his money position, not his national average position. That, I respectfully suggest, is the

fundamental defect of the Barkley-Porter amendment.

Let us take a look at it:

In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry—

We are not talking about the individual manufacturer or the individual processor. We are talking about the industry—which do not return on the average—

To whom? To an individual manufacturer? To the man who actually makes the goods? To the man who must have the money to meet the pay roll, to meet the rent, to meet the light bills, and to meet interest at the bank? No—

which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices—

Mark you, not to the individual producer, but—

if such prices on the average are equal to the average current total cost of the product plus the industry's—

Not the individual's—

average over-all profit margin on sales in the base period.

I repeat, Mr. President, the man who makes an icebox or the man who makes a gadget or the man who makes a stove, or whatever he may make, cannot meet his pay roll on industry averages; and when he sells his product he is not paid for it with industry figures or with graphs or with charts. He has to have money, because that is what he needs in his business. This is an academic approach to a problem of production. It is totally unrealistic, because it does not deal in money. It deals in graphs and charts and statistics and averages. Let me repeat that no man can run any kind of a factory on that kind of basis. I respectfully suggest that it is that very approach to the problem of production that is responsible for the shortages we experience today and that has brought this great tide of wrath against the OPA.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. MILLIKIN. Gladly.

Mr. SMITH. Is it not obvious when we use the average of which the Senator is speaking, the higher-cost producer is inevitably forced out of business, and to that extent production is decreased?

Mr. MILLIKIN. I thank the Senator for the contribution. I do not think we need go back to school to learn what the average is and that half of the producers are either above or below the average and that half cannot produce on the average.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. Gladly.

Mr. BARKLEY. The Senator is supporting the Taft amendment as a substitute for the language of the bill; is he?

Mr. MILLIKIN. Does the Senator refer to the original Taft amendment or to the Barkleyized Taft amendment?

Mr. BARKLEY. To the Taft amendment which has been offered.

Mr. MILLIKIN. I am supporting the original Taft amendment. I will have no truck with mongrel amendments, whether proposed by the Senator from Kentucky or the Senator from Ohio.

Mr. BARKLEY. Was I not correct when I stated that in the committee the Senator never at any time agreed to the amendment now proposed by the Senator from Ohio?

Mr. MILLIKIN. Mr. President, if we are talking about the amendment of the Senator from Ohio that was in the bill that went to conference, the committee did agree to it.

Mr. BARKLEY. No; the conference agreed to it, but the committee did not. That amendment was put in the bill on the floor of the Senate.

Mr. MILLIKIN. Yes; I accept the correction.

Mr. BARKLEY. I understood that the Senator rose to speak in behalf of the present Taft amendment, which is the only one pending, as a substitute for the language of the bill.

Mr. MILLIKIN. The Senator from Colorado rose to speak against the Barkley-Porter amendment.

Mr. BARKLEY. How is the Senator going to vote on the Taft amendment?

Mr. MILLIKIN. I shall vote for the Taft amendment if it is the same amendment which on the floor we voted into the bill which was vetoed by the President.

Mr. BARKLEY. Evidently the Senator has not read the Taft amendment.

Mr. MILLIKIN. I said to the Senator that I would not support a mongrelized amendment, either one offered by the Senator from Ohio or one offered by the Senator from Kentucky.

Mr. BARKLEY. Regardless of whether it is mongrelized or pure blood, it is the only amendment pending.

Mr. MILLIKIN. The only pureblood amendment is the original Taft amendment.

Mr. BARKLEY. That is not now before the Senate.

Mr. MILLIKIN. Or, if the Senator wishes, the original Porter-Barkley amendment. Those are the pureblood amendments.

Mr. BARKLEY. Or the Barkley-Porter amendment?

Mr. MILLIKIN. Whichever way the Senator wishes to put it.

Mr. BARKLEY. So the one now offered by the Senator from Ohio is the mongrel amendment the Senator is talking about.

Mr. MILLIKIN. And those that I have referred to as the Barkley mongrel amendments are the four or five which he reached in process of cerebration.

Mr. BARKLEY. Evidently the Senator is going to talk about mongrels until he gets in the dog house. [Laughter.]

Mr. MILLIKIN. I do not want to get in the dog house.

Mr. BARKLEY. If the Senator will permit, I should like to call his attention to the fact that the amendment offered by the Senator from Ohio, which

is now pending as a substitute for what he calls the Barkley-Porter amendment, contains this language:

(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period.

So what he is objecting to because of its average is the language of the amendment which now is pending and has been offered by the Senator from Ohio.

Mr. MILLIKIN. Do I understand that the distinguished Senator accepts the Taft amendment?

Mr. BARKLEY. No; I do not.

Mr. MILLIKIN. What is the difference between his amendment and the Taft amendment?

Mr. BARKLEY. The Senator is objecting to averages, and I call attention to the fact that the Taft amendment now pending is an average, and it contains the same language which is in the amendment which he calls the Barkley-Porter amendment, down to a certain point. And following that is the other language to which the Senator from Ohio objects. But so far as the averages are concerned, both are the same.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. MILLIKIN. Yes. I simply wish to say that I am sure the Senator from Ohio will appreciate the support of the Senator from Kentucky. [Laughter.]

Mr. BARKLEY. Probably he will appreciate it if he gets the support of the Senator from Colorado which has not yet been vouchsafed.

Mr. TAFT. Mr. President, I merely wish to say that the Senator from Kentucky, in the original Porter language at the bottom of page 25, adds language which is not in the formula which was formerly proposed. In other words, that proposal provides that as to the profit for each different product which is made by a single manufacturer in 1940, the Administrator is permitted to average those, whereas in the original Barkley formula the profit on each product must be taken, and to it must be added the increase in cost. So there is one more average in the language than there was in the beginning.

Mr. BARKLEY. Mr. President, the Senator is bound to recognize that he is mistaken about that. The language that is in the committee amendment down to the point where we add additional language constantly relates to averages—the average cost of the base period, the average current cost. In both cases it was the average cost of the industry, and not the cost of the individual product.

Mr. TAFT. But the additional language permits the averaging of the profit on each product, instead of saying that the product which was sold at cost must now be sold at cost and the product which was sold at a profit must now be sold at the same profit. The additional language says that all profits shall be

added, so that we have to get back to what is called the over-all industry standard, which is an average profit. So one more average is added in the last five lines.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. LUCAS. Am I correct in my assumption that this is just an average amendment?

Mr. MILLIKIN. I think this is a battle of the averages. It is a question between accepting three or four averages.

Mr. President, I should like to add that all during the committee hearings it was this question of averages which caused the Office of Price Administration to say that the original Taft amendment was unworkable, that they did not have the staff, that they did not have the time to compute these averages. But then they suggest an amendment which has about four different averages in it.

I also should like to say a few words about subsection (f), reading as follows:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

It has been pointed out, and I merely wish to emphasize it, that that gives to the Price Administrator complete control over the economy of this country. Whatever justification for a power of that kind might have existed during the war, I respectfully submit it no longer exists. I believe that what might be called necessary products under one point of view and unnecessary products under the same viewpoint, form inseparable parts of the circulatory system making up the national economy and that we cannot put a tourniquet on any important limb of our economy with the hope that it will help the rest of it. It all has to go together. I believe that this provision gives a very dangerous power which we should not give to anyone at this time.

Mr. REVERCOMB. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. REVERCOMB. Does the Senator mean to say that subsection (f) on page 26 vests in the Administrator the power to decide what articles are necessary and what articles are not necessary for the people of the country?

Mr. MILLIKIN. That is exactly what it does. I do not believe there is any brain or combination of brains in the world that is capable of making a sensible decision on that question. I believe there is only one decision and one place where that decision can be made, and that is in the market place. And there is only one person who can make that decision, and that is the person who goes to the market place.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. Gladly.

Mr. BARKLEY. Under the language of this measure as proposed, the industry committee representing any industry

which was set up under the law as it existed all along, must make application for these increases. It must present a comprehensive statement of facts with respect to the need for the increases. It is in passing upon the application for increases that the Administrator is authorized under this subsection to determine whether the increases would bring about increased production. He has no authority to determine what a given company shall manufacture. He has nothing whatever to say about that. All he is authorized to do is to determine, upon the application of the industry committee, whether a given price increase would result in increased production of the article. He cannot interfere with that production. He merely decides whether a given increase would result in greater production.

How does that determine what the American people shall use, eat, or wear? Unless the industry applications are made to the Administrator, presumably there will be no application for an increase so that an adjustment may be made in an individual case. In that event, the Administrator would not remotely decide what the American people should use.

Mr. MILLIKIN. I cannot understand why, if we give any man the power to say what part of our economy he will accelerate or what part he will keep stagnated, it does not give to him complete power over the economy of the country.

Mr. BARKLEY. There is nothing in this measure which says that he will accelerate one and stagnate the other. He decides only whether an increase in the price of a particular product will increase its production, or whether by granting an increase in its price so as to accelerate production it will automatically increase the production of some other commodity which may be in demand.

Mr. MILLIKIN. Whether automatically or not, the power does exist, and the Senator's remarks confirm the claim.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT], which will be stated.

The CHIEF CLERK. On page 25 it is proposed to strike out lines 9 to 25, inclusive, and on page 26 lines 1 to 22, inclusive, and to insert:

SEC. 6. (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period.

(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation,

(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act.

The PRESIDENT pro tempore. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from Oklahoma [Mr. THOMAS] is necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 40, nays 40, as follows:

YEAS—40

Austin	Buck	Cordon
Ball	Bushfield	Donnell
Bridges	Capehart	Eastland
Brooks	Capper	Ferguson

George	Moore	Taft
Gurney	O'Daniel	Tobey
Hart	Overton	Wherry
Hawkes	Reed	White
Hoey	Revercomb	Wiley
Johnston, S. C.	Robertson	Willis
Knowland	Smith	Wilson
Langer	Stanfill	Young
McClellan	Stewart	
Millikin	Swift	

NAYS—40

Aiken	Hayden	Murdock
Andrews	Hill	Murray
Barkley	Huffman	Myers
Briggs	Johnson, Colo.	O'Mahoney
Burch	Kilgore	Pepper
Byrd	La Follette	Radcliffe
Carville	Lucas	Russell
Chavez	McCarran	Taylor
Downey	McKellar	Thomas, Utah
Fulbright	McMahon	Tunnell
Gerry	Magnuson	Wagner
Gossett	Mead	Walsh
Green	Mitchell	
Guffey	Morse	

NOT VOTING—16

Bailey	Hatch	Thomas, Okla.
Bilbo	Hickenlooper	Tydings
Brewster	McFarland	Vandenberg
Butler	Maybank	Wheeler
Connally	Saltonstall	
Ellender	Shipstead	

So Mr. TAFT's amendment was rejected.

Mr. TAFT. Mr. President, I have been informed that the vote on the three amendments together was not satisfactory to some Members of the Senate. In order to raise the single question with respect to paragraph (f), which was the most important paragraph, I move, on page 26, to strike out lines 16 to 22, inclusive, leaving the other two provisions as they are. On that question I ask for the yeas and nays.

Mr. BARKLEY. Mr. President, before the vote is taken on the amendment I move that the Senate reconsider the vote by which the Taft amendment was rejected.

Mr. WAGNER. I move that the motion of the Senator from Kentucky be laid on the table.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New York.

Mr. TAFT. Mr. President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WHITE. Mr. President, is the question on the motion of the Senator from New York to lay on the table the motion of the Senator from Kentucky?

The PRESIDENT pro tempore. The question is on the motion of the Senator from New York [Mr. WAGNER] to lay on the table the motion of the Senator from Kentucky [Mr. BARKLEY] that the vote by which the so-called Taft amendment was rejected be reconsidered. The yeas and nays have been ordered, and the Clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from Oklahoma [Mr. THOMAS] is necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 46, nays 34, as follows:

YEAS—46

Aiken	Hill	Murdock
Andrews	Hoey	Murray
Barkley	Huffman	Myers
Briggs	Johnson, Colo.	O'Mahoney
Burch	Johnston, S. C.	Overton
Byrd	Kilgore	Pepper
Carville	La Follette	Radcliffe
Chavez	Lucas	Russell
Downey	McCarran	Stewart
Fulbright	McClellan	Taylor
George	McKellar	Thomas, Utah
Gerry	McMahon	Tunnell
Gossett	Magnuson	Wagner
Green	Mead	Walsh
Guffey	Mitchell	
Hayden	Morse	

NAYS—34

Austin	Gurney	Stanfill
Ball	Hart	Swift
Bridges	Hawkes	Taft
Brooks	Knowland	Tobey
Buck	Langer	Wherry
Bushfield	Millikin	White
Capehart	Moore	Wiley
Capper	O'Daniel	Willis
Cordon	Reed	Wilson
Donnell	Revercomb	Young
Eastland	Robertson	
Ferguson	Smith	

NOT VOTING—16

Bailey	Hatch	Thomas, Okla.
Bilbo	Hickenlooper	Tydings
Brewster	McFarland	Vandenberg
Butler	Maybank	Wheeler
Connally	Saltonstall	
Ellender	Shipstead	

So the motion to lay on the table was agreed to.

Mr. BARKLEY. Mr. President, there are one or two other amendments which I understand will be offered, and I hope Senators will remain so that we may dispose of them tonight. We have a very good attendance, for which I am grateful, and I am sure the whole Senate is grateful. I hope Senators will remain until we can dispose of the other amendments, which I think will not take an unusual length of time.

The PRESIDENT pro tempore. The pending question is on the amendment offered by the Senator from Ohio [Mr. TAFT] to strike out subsection (f).

Mr. TAFT. Mr. President, I withdraw the amendment.

Mr. McCLELLAN. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out the period at the end of line 25, on page 25, insert a colon and the following proviso: "Provided, however, That in the case of logs, lumber, and lumber products, the maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current costs of production, and in determining such current costs of production, the current market value, or ceiling price of timber used, whichever is lower, shall be considered the cost of such timber."

Mr. McCLELLAN. Mr. President, the purpose of the amendment is to correct two evils which now exist. During the past 2 years, at least, the production of lumber in the South and Southwest has diminished from 11,000,000,000 feet to about 7,000,000,000 feet. I am sure that the production is now on the increase from that minimum footage. I have the impression that those figures are based on lumber produced and sold in the legitimate market. If that be correct, then a large amount of lumber is not being taken into consideration; but, assuming the figures to be correct, they show that during and under the conditions and restrictions of OPA which have existed in the past the production of lumber, a most vital and indispensable material to the housing program, has greatly decreased. Undoubtedly a great deal of lumber which is being produced is going into the black market. I do not think that anyone who would undertake to defend the policies of OPA would challenge the statement—because, as I recall, OPA authorities have admitted it—that a very large percentage of the lumber produced in the southwest has been going into the black market. The OPA say, "We take 75 percent of the total production as a basis."

Of course a good many lumber firms in the South and in the Southwest have tremendous holdings of standing timber. Much of it was bought at a time when stumpage costs were low. OPA takes the position that if 75 percent of the lumber industry of the South and the Southwest can produce lumber at a profit on the basis of what they bought the timber for many years ago, of course, OPA ought

not to establish their prices on the basis of what it costs to replace the timber which they are now converting into lumber. That is the issue with which we are confronted in considering this amendment. The lumber firms take the position: "If we cannot produce the lumber at a profit from the timber we have bought, then we will sell the timber to someone else, who will pay us \$25 a thousand stumpage." They bought a great deal of that timber at \$1 or \$2 a thousand or \$2.50 or \$3 a thousand. They can sell their standing timber to some independent operator on that basis and make a tremendous profit. They can make much more profit in that way than they can by producing timber themselves; and that is exactly what is occurring.

This is an issue between a black-market price and a legitimate price stabilized by law. We can pass all the laws we want to, but the truth is that under present conditions many producers of lumber are simply paying whatever they have to pay in order to obtain the stumpage. Twenty-five dollars a thousand was an unheard of price to pay for stumpage before the present situation arose. The Government is selling stumpage at that price. If stumpage is bought at that price, what is the result? If the ceiling price is based on conditions which the OPA has taken into consideration, while other factors have not been taken into consideration, the result is that the lumber goes into the black market. I do not propose to speak for other sections of the country. Senators who represent other sections can speak for them. But I think the amendment presents a clear-cut issue whether we will have the lumber we need, particularly in the Southwest, and whether the lumber of the Southwest will be placed on the legitimate market or whether a large percentage of it will go into the black market. I do not make the prediction that a great percentage of the lumber will go into the black market. I am stating a fact that it will go into the black market. That is the condition which now exists.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. CORDON. If I correctly understand the purport of the Senator's amendment it is to provide by statute expressly that the price on lumber must be equal to the cost of producing lumber, to the extent of 90 percent of the total lumber production per annum. Is that correct?

Mr. McCLELLAN. That is correct in this sense, that the OPA today says that if 75 percent of those who engage in the production of lumber can survive they will let the other 25 percent die. We have today the national housing program. What material is more important and essential and indispensable to the national housing program than lumber? The result is that the Federal Government has stepped in and said "We will spend \$400,000,000 to subsidize production." That may be one way to accomplish the purpose, but it will be only a partial accomplishment, and the Senator and I know that to be true.

Mr. CORDON. Mr. President, will the Senator further yield?

Mr. McCLELLAN. I am glad to yield.

Mr. CORDON. I am familiar with the practice of the OPA in the years past. As I understand, they worked upon the policy that historically 75 percent of the operating mills, measured by volume, were able to remain in business, and that approximately 25 percent of those who attempted to go into the lumber business failed each year, and that therefore OPA was justified in using those historical figures when they changed the whole basis of lumber production. When OPA stepped into the lumber field and took from the operator the opportunity that he had to secure a larger profit, a profit equal to the greater chance he must take—when they took that from him, and gave him instead an assured but much smaller profit, they felt, or said they felt, that he would still continue to take that chance. If the Senator will indulge me, I will say that the experience for 2 years showed that each of those 2 years 25 percent of the mills, by volume, closed down.

Mr. McCLELLAN. That is true.

Mr. CORDON. And it cut down the volume to that extent. The operators could not continue. They did not have the incentive to continue.

If the Senator will further indulge me to make one more point, I will say that this very year there came to Washington from various parts of the United States men engaged in the lumber business who presented the whole problem to OPA. They showed the picture. They proved beyond peradventure of a doubt that the program was cutting down and curtailing lumber production. And after a most thorough and careful examination of the facts, OPA conceded the correctness of their position, and modified its ruling at that time, and modified the regulations which it claimed were lowering the mortality percentage from 25 to 10 percent, or increasing the profit margin from 75 to 90, as the Senator now proposes to do by law.

The operators claim the modification was not adequate. Whether it was or not is a matter that I am sure neither the Senator from Arkansas nor I could determine. But the main point is that the decision of OPA to do the thing was a decision of an administrative agency, and did not have the command of law, whereas the adoption of the Senator's amendment, as I view it, will put the command of law behind a practice that OPA itself, after its last exhaustive examination, has admitted is the only way by which the maximum lumber production can be approximated in the United States. I want to assure the Senator that I shall support his amendment.

Mr. McCLELLAN. I thank the Senator. The Senator is correct in his statement that lumber interests and producers have been repeatedly before the OPA, and it took repeated efforts even to secure that concession. During the time that the lumber industry in the Southwest, particularly the southern pine industry, was trying to get some consideration from OPA, production of southern pine lumber fell off from 11,000,000,000 feet-plus a year to 7,000,000,000 feet-plus

a year, a reduction in production of nearly 4,000,000,000 feet of lumber a year. As I have indicated, I do not know whether the figures 11,000,000,000 plus and 7,000,000,000 plus included lumber which was sold in the black market. Whether it included it or not did not include it, there is that reduction in production of lumber, a commodity which America so greatly needs today.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the junior Senator from Oregon.

Mr. MORSE. I want to make certain that I understand what it is the Senator from Arkansas is seeking to accomplish, because I wish to assure him that I share the views of my senior colleague as to the problem with which the lumber industry has been confronted, so far as trying to get a fair return, for example, for its investment in stumpage out of OPA price fixing.

Am I correct in my understanding that one of the things the Senator is seeking to accomplish by his amendment is that if Lumber Company X 20 years ago bought stumpage at \$1, and today that stumpage has risen to \$3.50 if that Company X could sell that stumpage, without cutting it at all, at \$3.50, the Senator wants to make certain that Company X, in figuring its cost of production, can figure stumpage at \$3.50 instead of its original cost of \$1.

Mr. McCLELLAN. That is a part of what this amendment would do. I assume that the situation in the Senator's State is similar to that in the Southwest. Many lumber producers in that area have what is known as a perpetual production. Those lumber companies under the present conditions are not cutting their own timber, but they are going into the market and buying timber.

Mr. MORSE. They are not cutting their own timber because they bought it at a very cheap price, and they cannot get credit for more than their original book value.

Mr. McCLELLAN. The Senator is correct. What is happening is that a substantial part of the lumber production in the Southwest is coming from stumpage that can be bought from the landowner.

Mr. MORSE. I understand that.

Mr. McCLELLAN. Not from those who have the great holdings. The result is that a great percentage of that production today is going into the black market. This amendment offers a choice between the continuation of the black market and a stabilization of the situation. There is now no ceiling on the stumpage, so lumber producers buy it at whatever price they can buy it for, in order to remain in business.

Mr. MORSE. I understand that.

Mr. McCLELLAN. Then they sell the lumber. If they can sell it at a profit on the legitimate market, I assume they do so. But when they cannot, they sell it on the black market. Let us have a legitimate market in lumber, a commodity desperately needed in our housing situation. If we do not have a legitimate market, we must have a black market.

Mr. MORSE. Will the Senator permit me to go through the amendment with him? I have a suggestion which I

should like to make for the Senator's consideration, involving a part of the amendment which I must say I do not understand. Perhaps the Senator can clear up his amendment.

Mr. McCLELLAN. I shall be very happy to have the suggestion of the Senator.

Mr. MORSE. The amendment reads as follows:

Provided, however, That in the case of logs, lumber, and lumber products, the maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current cost of production—

So far so good. I follow the amendment up to that point.

Mr. McCLELLAN. Up to that point it does not even provide for a profit. I recognize that.

Mr. MORSE. I follow the amendment up to that point. I see the problem which the Senator is trying to solve, on the basis of the experiences which I know lumber companies have had with OPA. But beyond that point I find myself unable to follow the amendment, because I cannot understand its meaning. Let me go back to the beginning again:

Provided, however, That in the case of logs, lumber, and lumber products the maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current costs of production, and in determining such current costs of production the current market value or ceiling price of timber used, whichever is lower, shall be considered the cost of such timber.

Beginning with the word "and", I fail to follow the meaning of the amendment. I suggest that the Senator place a period after the word "production," and strike out the language—

and in determining such current costs of production the current market value or ceiling price of timber used, whichever is lower, shall be considered the cost of such timber.

Let the amendment go to conference with a period after the word "production," because I submit that unless the Senator can clear it up, the last part of the amendment is very difficult to understand.

Mr. McCLELLAN. This is what the amendment means, or what I intend it to mean: Whatever it costs to buy standing timber in the vicinity ought to be taken into account in determining the cost of production. The situation is substantially the same throughout the Southwest. I speak for the Southwest. The amendment provides that the current market value or ceiling price, whichever is lower, shall govern.

Mr. MORSE. I respectfully submit that if the Senator would put a period after the word "production" and strike the last part of the amendment, he would accomplish what I am satisfied is his objective, as he has explained it. I do not think he would accomplish it by the latter part of the language. If he will place a period after the word "production" and strike out the remainder of the amendment, I shall be glad to vote for the amendment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BARKLEY. The whole subject of logs, timber, and lumber is very technical.

Mr. McCLELLAN. It is.

Mr. BARKLEY. There is now a regulation, put into effect by the OPA, providing that 75 percent of the production shall be priced at such a figure as will enable the producer to make a profit.

Mr. McCLELLAN. No; to recover the cost of production.

Mr. BARKLEY. I beg the Senator's pardon—to recover the cost of production.

Mr. McCLELLAN. That is correct.

Mr. BARKLEY. There is a differential with respect to grades and types of timber, logs, and lumber. The percentage goes as high as 80 percent in some categories. If I correctly understand the Senator's purpose, it is to increase the percentage from 75 to 80, whichever it may be, to 90.

Mr. McCLELLAN. From 75 percent—

Mr. BARKLEY. To 90 percent.

Mr. McCLELLAN. That is correct.

Mr. BARKLEY. This suggestion was not submitted to either committee at any time during the consideration of the measure, and it was not considered by the conference. If the Senator will follow the suggestion of the Senator from Oregon, which I think would accomplish his purpose, I shall have no objection to taking the amendment to conference. Then we shall have an opportunity to consider it in view of the technicalities of the situation. I think the Senator would lose nothing in the effectiveness of his amendment by following that suggestion.

Mr. McCLELLAN. Does the Senator mean to strike out everything after the word "production"?

Mr. BARKLEY. Strike out the last 3 lines and insert a period after the word "production."

Mr. McCLELLAN. I am sincere about this amendment, because I think I know something about the situation in my State. All I wish to do is to fix a price which will return to the producer the cost of production. The Government is selling timber at \$20 and \$25 a thousand for stumpage. When a producer has to pay such prices I do not see how the same Government can fail to take that fact into consideration in fixing the price to the consumer. When the Government fixes the price on one basis and sells on another, I do not believe that private enterprise can be preserved, or that respect for Government can be maintained when such a policy is pursued. I may be mistaken, but these facts and figures are not mine. They are the Government's. Two years ago there was a production of 11,000,000,000 feet. Last year the production in that area was 7,000,000,000 feet. I do not know whether those figures took into account the black-market production and sales, but I do know that those are the statistics. The truth is—and the OPA will admit it, or at least not deny it—that 80 percent of the lumber in that area is going into the

black market. I was in a conference with OPA where that fact was admitted.

Do we want a legitimate market, or do we wish to encourage black markets in America? There is a responsibility on the part of the Government of the United States to be honest with its citizens; and the only way to be honest is to provide, in such situations, a return which allows the cost of production.

Mr. SWIFT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the Senator from Alabama.

Mr. SWIFT. I am wondering if the confusion which seems to exist in the minds of some Senators, particularly the two Senators from Oregon, arises because of the use of the word "timber" instead of "stumpage." If the word "timber" were changed to "stumpage" would not that clarify the meaning of the amendment?

Mr. McCLELLAN. "Timber" could not mean anything but stumpage, although others may disagree with me.

Mr. SWIFT. The Senator from Arkansas and I understand lumber terms, and we know that the term has that meaning; but I am wondering if other Members of the Senate understand that in determining the current cost of production, whether a person is engaged in producing logs to sell to a sawmill or whether he is producing lumber or lumber products such as millwork, the cost of the tree, or stumpage, shall be considered to be the ceiling price or the current market value, whichever is lower. I think the confusion is caused by the use of the word "timber" rather than "stumpage."

Mr. McCLELLAN. Of course, timber is stumpage. I do not see how they can be dissociated.

Mr. SWIFT. I thoroughly agree with the Senator.

Mr. McCLELLAN. If any Senator misunderstands, I hope that explanation will clear up the misunderstanding, because when one buys timber he buys stumpage.

Mr. WHITE. Mr. President, will the Senator yield for a question?

Mr. McCLELLAN. I am very glad to yield.

Mr. WHITE. I have not seen this amendment, but reference has been made to it by the Senator from Arkansas. It refers to lumber and logs, and the products of lumber and logs. I wonder if the amendment is broad enough to cover pulpwood, and whether it was intended to cover pulpwood.

Mr. McCLELLAN. No. I use the terms in their common acceptance. Logs and pulpwood are two different products. Possibly an amendment will be offered regarding pulpwood. But logs and pulpwood are in entirely different categories. Lumber does not come from pulpwood. Pulpwood is in a category unto itself.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. CORDON. I have again scanned the language of the amendment, and I think I understand what the Senator from Arkansas intends to do by the lan-

guage which is now questioned. If I am correct in my understanding, the purpose of the language is to require the consideration by the price-fixing agency, in determination of current costs, of a figure to cover timber or timber stumpage.

Mr. McCLELLAN. That is correct.

Mr. CORDON. Which is, first, the ceiling price established for the logs or the stumpage; or, second, the current market price of such stumpage, if that be lower than the ceiling.

Mr. McCLELLAN. That is correct.

Mr. CORDON. If that be the case, let me suggest that perhaps the language might be slightly clarified. I now call attention to the language following the comma after the word "production":

The current market value or ceiling price of timber used, whichever is lower, shall be considered the cost of such timber.

Let us change that to say that the ceiling price of the timber used or the current market price thereof, if that be lower, shall be considered the cost of the timber. The change would perhaps be clarifying to the extent that it would not assume that there could be a market price of timber above the ceiling set by the OPA.

Mr. McCLELLAN. I wish to say to the Senator that of course what we are doing is dealing with the initial costs.

Mr. CORDON. That is correct.

Mr. McCLELLAN. I shall appreciate it if the Senator will write out his amendment and let me have it so that I may read it. I have no particular pride in this amendment; but I know, and I speak now from a sectional point of view, that every Senator is aware that we are trying to bring about production of materials and essentials for the housing program. I am not trying to secure something to benefit any corporation in my State which owns timber. I am trying to find a way to provide a legitimate market for a product and also to enable it to be produced in a legitimate way.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BARKLEY. Have the Senator from Arkansas and the two Senators from Oregon reached an understanding about the language?

Mr. MORSE. I think we are about to reach an understanding.

Mr. McCLELLAN. I hope we may.

Mr. BARKLEY. I think we might concentrate on an effort to do that, because I am perfectly willing to take the amendment to conference if we can understand what it means.

Mr. MORSE. Mr. President, when the amendment is written out by the senior Senator from Oregon, I think we shall be in agreement. I think the RECORD should show the type of factual situation which the Senator from Arkansas is trying to correct. If there are two lumber operators on opposite sides of the same road, and if one bought his lumber 20 years ago at a dollar and can sell it at a profit and the man on the other side of the highway has a tract of timber, and the market value for the stumpage is \$3.50, under present OPA policies when he figures out his cost of production he is allowed \$3.50. But the man who

bought his timber 20 years ago at a dollar is allowed only that value in figuring his cost of production, although on the open market he can sell the timber for \$3.50 because that is the open-market value.

As I said at a hearing on this problem, when the OPA figures it that way it really puts its hand into the man's pocket and confiscates at the rate of \$2.50 for every thousand, and in my estimation that is a confiscation without due process.

I understand that the Senator is seeking to correct that method of confiscating the property of the lumber owner.

Mr. McCLELLAN. That is correct.

Mr. MORSE. If the Senator will accept the language suggested by the Senator from Oregon, I shall go along with the amendment.

Mr. McCLELLAN. If the Senator will give me a moment's time, I shall do so. I wish to say that what we wish to do, if we are to have an OPA, is to make sure that the black market will be eliminated. If we do not have an OPA whose regulations can be enforced, then the black market is the alternative, and an alternative of that sort is destructive to every fundamental fiber of America and of democracy.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCLELLAN. Yes.

Mr. CORDON. I believe the amendment is of far greater importance to the United States than would appear from a cursory examination of it. I believe the portion of the work of the Office of Price Control which has met with universal approval, so far as its necessity is concerned, is that dealing with the control of rents. That is true because there is a terrific housing shortage. Other shortages can be met in a short time, as, for instance, 2 months ago we were faced with a terrific shortage of wheat, but today wheat is being piled up by the thousands of bushels in the open weather in the Middle West because there is a surplus. Presently, that will be true of corn and of other necessary commodities which can be produced rapidly.

But houses cannot be produced that way. The production of lumber from the rough lumber which goes into the joists, the studding, the foundation, the siding, the rough subflooring, and so forth, on through to the finest of remanufactured molding and interior finishing must be produced before housing can be provided. As was said on the floor today, and I know the Senator from Arkansas will agree with me in this, there are now literally thousands of houses which would be ready for occupancy if there were available the necessary finishing lumber. That means the framing, in some instances the flooring, in almost all of them the doors, the molding, and the like. That type of lumber has not been available because, in pricing, the necessities of war were deemed to be paramount, and premiums were placed on that type of lumber, and the correction was not made after the war in time to increase the production of the necessary finished lumber.

Mr. President, if this amendment is adopted it will at least be the basis of a

guaranty to lumber operators, not that they can make a profit, but that 90 percent of them, based on volume, can operate without a loss. That necessarily means that of the 90 percent, the major portion will make a profit. The last end of them will be working right on the edge of loss. Consequently, I believe the amendment will do more to advance the construction of housing and to take care of the present shortage than anything the Congress can do or that any administrative agency can do.

Mr. McCLELLAN. I simply wish to suggest in regard to the modification the Senator has submitted to me that I would strike out the words "if that be lower." I think that would permit a price to be fixed which would not represent the true situation. So if the Senator will agree to strike out those words, and say that the ceiling price or the current market price shall be considered the cost of such timber—in other words, that the ceiling price shall be used or the current price—I shall be very happy to accept his suggestion.

Mr. CORDON. So far as I am concerned Mr. President, I fully understand that, and I believe anyone familiar with the trade would understand it.

Mr. BARKLEY. Mr. President, may the amendment be sent to the desk and read so that we will understand what it is?

Mr. McCLELLAN. I shall be glad to send it to the desk if the Senator will give me an opportunity.

Mr. President, I send to the desk the same amendment which I originally presented, with a modification. After the word "production" in line 4 of the original amendment, I wish to modify by striking out the remainder of the amendment and inserting in lieu thereof the following: "The ceiling price of timber used or the current market price shall be considered the cost of such timber."

The PRESIDENT pro tempore. The modified amendment of the Senator from Arkansas will be stated.

The LEGISLATIVE CLERK. On page 25, line 25, after the words "base period", it is proposed to strike out the period, insert a colon, and the following proviso: "Provided, however, That in the case of logs, lumber, and lumber products, the maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current costs of production. The ceiling price of timber used or the current market price shall be considered the cost of such timber."

The PRESIDENT pro tempore. The question is on agreeing to the modified amendment of the Senator from Arkansas.

The amendment as modified was agreed to.

CORRECTION OF THE RECORD

Mr. MORSE. Mr. President, I ask unanimous consent to have a correction made in the CONGRESSIONAL RECORD for July 10, at page 8693, in column 3. The sentence reading "But they are afraid the public favors such decontrols" should read, "But they are afraid the public does not favor such decontrols."

The PRESIDENT pro tempore. The correction will be made.

ADDITIONAL REPORT OF A COMMITTEE

Mr. JOHNSON of Colorado, from the Committee on Military Affairs, to which was referred the bill (H. R. 4051) to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave, reported it with amendments, and submitted a report (No. 1704) thereon.

EXTENSION OF PRICE CONTROL—AMENDMENTS

Mr. PEPPER (for himself, Mr. WAGNER, Mr. GUFFEY, Mr. MEAD, Mr. MURRAY, Mr. MURDOCK, Mr. MITCHELL, Mr. TAYLOR, Mr. MYERS, Mr. KILGORE, Mr. LUCAS, Mr. MAGNUSON, Mr. THOMAS of Utah, Mr. HUFFMAN, and Mr. McMAHON) submitted an amendment intended to be proposed by them, jointly, to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was ordered to lie on the table and to be printed.

Mr. WHERRY (for himself and Mr. WILSON) submitted an amendment intended to be proposed by them, jointly, to House Joint Resolution 371, to extend price control, which was ordered to lie on the table and to be printed.

Mr. JOHNSTON of South Carolina (for himself, Mr. GEORGE, Mr. MILLIKIN, and Mr. HOEY) submitted an amendment intended to be proposed by them, jointly, to the House Joint Resolution 371, to extend price control, which was ordered to lie on the table and to be printed.

Mr. CAPEHART submitted an amendment intended to be proposed by him to House Joint Resolution 371, to extend price control, which was ordered to lie on the table and to be printed.

TRIBUTES TO THE LATE SIDNEY HILLMAN

Mr. MEAD. Mr. President, my distinguished colleague, the distinguished Senator from New York [Mr. WAGNER], yesterday notified the Senate of the untimely death of Mr. Sidney Hillman. I wish to pay tribute to Mr. Hillman's memory. When he died, both the organized and the unorganized workers of America lost a great friend and a sterling advocate.

Sidney Hillman sought always to improve the lot of the one-third of our population who are poorly fed, poorly housed, and poorly clothed. On several occasions it was my privilege to talk to him about matters of legislation in which he was interested during the present session of Congress. He was particularly concerned in the passage of the minimum-wage legislation. That would not have affected the membership of his great organization, and his interest showed his devotion to the wage earners of the country in the lowest brackets, particularly the unorganized workers, who had no one else to speak for them. He was their spokesman and their advocate.

Among those who have paid tribute to Mr. Hillman were the President of the United States, who said:

In the death of Sidney Hillman, the cause of democracy in this country and the world

79TH CONGRESS
2^D SESSION

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 11 (legislative day, JULY 5), 1946
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CAPEHART to the joint resolution (H. J. Res. 371), extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 33, beginning with line 14, strike out down through line 20 on page 34, and insert in lieu thereof the following:

1 SEC. 18. (a) The provisions of this Act, except with
2 respect to the establishment and maintenance of maximum
3 rents, shall take effect on November 15, 1946, if the Presi-
4 dent finds on such date that prices of commodities have risen
5 to such an extent that hardships and undue impairment in
6 the standard of living will result to persons with relatively
7 fixed and limited incomes. If the President fails to make
8 such a finding such provisions shall not become effective.

1 In the event the President makes such a finding, he shall
2 issue a proclamation to that effect and such provisions of
3 this Act shall take effect as of June 30, 1946.

4 (b) The provisions of this Act relating to the estab-
5 lishment and maintenance of maximum rents shall take
6 effect as of June 30, 1946.

7 (c) All regulations, orders, price schedules, and require-
8 ments under the Emergency Price Control Act of 1942, as
9 amended, and the Stabilization Act of 1942, as amended,
10 which were in effect on June 30, 1946, shall be in effect in
11 the same manner and to the same extent as if this Act had
12 been enacted on June 30, 1946, and any proceeding, petition,
13 application, or protest which was pending under the Emer-
14 gency Price Control Act of 1942, as amended, or the Stabil-
15 ization Act of 1942, as amended, on June 30, 1946, shall
16 be proceeded with and shall be effective in the same manner
17 and to the same extent as if this Act had been enacted on
18 June 30, 1946: *Provided*, That in any case in which the
19 Emergency Price Control Act of 1942 (except sections
20 204 and 205), as amended, or the Stabilization Act of 1942
21 (except sections 8 and 9), as amended, or any regulation,
22 order, or requirement under either of such Acts, prescribes
23 any period of time within which any act is required or
24 permitted to be done, and such period had commenced but
25 had not expired on June 30, 1946, such period is hereby

1 extended for a number of days equal to the number of days
2 from July 1, 1946, to the date of enactment of this Act, both
3 inclusive: *Provided further*, That no act or transaction
4 occurring subsequent to June 30, 1946, and prior to the
5 date of enactment of this Act (or prior to November 15,
6 1946, with respect to any act or transaction, other than one
7 relating to the establishment and maintenance of maximum
8 rents) shall be deemed to be a violation of the Emergency
9 Price Control Act of 1942, as amended, or the Stabilization
10 Act of 1942, as amended, or of any regulation, order, price
11 schedule, or requirement under either of such Acts: *Pro-*
12 *vided further*, That the provisions of this subsection shall
13 not be applicable except with respect to the establishment
14 and maintenance of maximum rents, unless and until the
15 President issues the proclamation referred to in subsec-
16 tion (a).

AMENDMENT

Intended to be proposed by Mr. CAVENANT to the joint resolution (H. J. Res. 371), extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 11 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 11 (legislative day, JULY 5), 1946
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. JOHNSTON of South Carolina (for himself, Mr. GEORGE, Mr. MILLIKIN, and Mr. HOEY) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: At the proper place in the joint resolution insert the following:

- 1 In establishing maximum prices for sales of finished
- 2 woven fabrics made primarily of cotton fiber or for the
- 3 sales of apparel made therefrom it shall be unlawful for the
- 4 Administrator to establish or maintain differentials in the
- 5 method of determining the basic grey goods cost or the
- 6 finished woven fabrics cost to which a mark-up is to be
- 7 applied based on the degree of integration of the seller.

AMENDMENT

Intended to be proposed by Mr. Johnston of South Carolina (for himself, Mr. George, Mr. Mullikin, and Mr. Hoey) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 11 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

79TH CONGRESS
2^D SESSION

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 11 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. PEPPER (for himself, Mr. WAGNER, Mr. GUFFEY, Mr. MEAD, Mr. MURRAY, Mr. MURDOCK, Mr. MITCHELL, Mr. TAYLOR, Mr. MYERS, Mr. KILGORE, Mr. LUCAS, Mr. MAGNUSON, Mr. THOMAS of Utah, Mr. HUFFMAN, and Mr. McMAHON) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: Strike out all after the enacting clause and insert the following:

- 1 That section 1 (b) of the Emergency Price Control
- 2 Act of 1942, as amended, is amended by striking out "June
- 3 30, 1946" and substituting "February 1, 1947"; and by
- 4 inserting before the period at the end thereof a colon and

1 the following: "*Provided*, That the President is authorized,
2 whenever he deems such action to be necessary in the public
3 interest, to eliminate or modify any regulation, order, price
4 schedule, or other control imposed by or under the authority
5 of this Act or the Stabilization Act of 1942, as amended."

6 SEC. 2. Section 6 of the Stabilization Act of 1942, as
7 amended, is amended by striking out "June 30, 1946" and
8 substituting "February 1, 1947".

9 SEC. 3. The last paragraph of section 2 (c) of the
10 Emergency Price Control Act of 1942, as amended by the
11 Stabilization Extension Act of 1944, shall not apply with
12 respect to operations of the Commodity Credit Corporation
13 and the Reconstruction Finance Corporation until February
14 1, 1947: *Provided*, That no new subsidy or purchase and
15 sale operations shall be undertaken under the authority of
16 this section, and no change shall be made in the basis of
17 any operations existing on June 29, 1946, for which funds
18 are made available under this section which will increase
19 the rate of any subsidy or the rate of loss incurred with
20 respect to any commodity.

21 SEC. 4. (1) The provisions of this Act shall take effect
22 as of June 30, 1946, and (2) all regulations, orders, price
23 schedules, and requirements under the Emergency Price Con-
24 trol Act of 1942, as amended, and the Stabilization Act of
25 1942, as amended, which were in effect on June 30, 1946,

1 shall be in effect in the same manner and to the same extent
2 as if this Act had been enacted on June 30, 1946, and (3)
3 any proceeding, petition, application, or protest which was
4 pending under the Emergency Price Control Act of 1942, as
5 amended, of the Stabilization Act of 1942, as amended, on
6 June 30, 1946, shall be proceeded with and shall be effective
7 in the same manner and to the same extent as if this Act had
8 been enacted on June 30, 1946: *Provided*, That in any case
9 in which the Emergency Price Control Act of 1942 (except
10 sections 204 and 205), as amended, or the Stabilization Act
11 of 1942 (except sections 8 and 9), as amended, or any regu-
12 lation, order, or requirement under either of such Acts, pre-
13 scribes any period of time within which any act is required
14 or permitted to be done, and such period had commenced
15 but had not expired on June 30, 1946, such period is hereby
16 extended for a number of days equal to the number of days
17 from July 1, 1946 to the date of enactment of this Act,
18 both inclusive: *Provided further*, That no act or transaction
19 occurring subsequent to June 30, 1946, and prior to the
20 date of enactment of this Act shall be deemed to be a viola-
21 tion of the Emergency Price Control Act of 1942, as
22 amended, or the Stabilization Act of 1942, as amended, or
23 of any regulation, order, price schedule, or requirement
24 under either of such Acts,

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. PEPPER (for himself, Mr. WAGNER, Mr. GUFFEY, Mr. MEAD, Mr. MURRAY, Mr. MURDOCK, Mr. MITCHELL, Mr. TAYLOR, Mr. MYERS, Mr. KILGORE, Mr. LUCAS, Mr. MAGNUSON, Mr. THOMAS of Utah, Mr. HUFFMAN, and Mr. McMANIS) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 11 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 11 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WHERRY (for himself and Mr. WILSON) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, viz: On page 24, beginning with line 14, strike out all down to and including line 18, and insert in lieu thereof the following:

- 1 (t) No maximum price shall be established or main-
- 2 tained for any commodity below the level necessary to afford
- 3 distributors, wholesalers, retailers, and others dealing therein
- 4 the margins (including discounts) in effect thereon in the
- 5 calendar year 1940.

AMENDMENT

Intended to be proposed by Mr. WERRY (for himself and Mr. WILSON) to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

JULY 11 (legislative day, JULY 5), 1946

Ordered to lie on the table and to be printed

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 13, 1946
For actions of July 12, 1946
79th-2nd, No. 136

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HIGHLIGHTS: Senate passed price control. President approved bill to continue Land Bank Commissioner loans. Senate committee reported 3rd deficiency appropriation bill. Senate insisted, 23-53, on its amendment to strike out provision excluding packing-canning employees from NLRB. Senate agreed to McCarran motion to make President's reorganization plan unfinished business. House agreed to conference report on Government corporations appropriation bill; insisted on disagreement to Senate amendment authorizing TVA fertilizer plant. House laid on table resolution requesting Secretary to report on Mass. food-feed shortage. House Committee reported proposed Foreign Service Act sponsored by State Department.

SENATE

1. PRICE CONTROL. Passed 62-15; H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts (pp. 8955-9010).

Agreed to the following amendments:

- By Sen. Overton, La., to prohibit price ceilings on grain for which Grain Standards Act standards have been set and livestock or poultry feed processed therefrom; by a 42-36 vote (pp. 8960-3). This amendment was a substitute for the amendment offered by Sen. Bridges, N. H., which was then agreed to, as amended by the Overton substitute, by a 45-34 vote (pp. 8963-4).
- By Sen. Hoey, N. C., to prohibit ceilings on tobacco and its products (p. 8964).
- By Sen. Johnston, S. C., to prohibit ceilings on cotton textiles on the basis of determining the basic grey goods cost or the finished woven fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller (p. 8966).
- By Sen. Russell, Ga., to make pulpwood ceilings uniform throughout the country (pp. 8966-8).
- By Sen. Murdock, Utah, to prohibit CCC or any other Government agency from absorbing increases paid for Cuban sugar over 3.675 cents a pound (pp. 8968-9).

Rejected the following amendments:

- By Sen. Robertson, Wyo., to eliminate all price controls except on rents; by a 12-61 vote (pp. 8972-7).
- By Sen. Wherry, Nebr., to prohibit ceilings for any commodity below the level

necessary to afford dealer but the margins in effect in 1940; by a 29-46 vote (pp. 8977-83).

By Sen. Pepper, Fla., to restore most of the price-control law as it was before July 1; by a 23-52 vote (pp. 8983-9001).

Sens. Wagner, Barkley, Radcliffe, Downey, Tobey, Taft, and Millikin were appointed conferees (p. 9005).

The measure, as amended, is printed in the Record (pp. 9005-10).

2. THIRD DEFICIENCY APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 6885 (S. Rept. 1708) (p. 8934). Provisions of the bill will be shown in Monday's Digest.
Sen. Cordon, Oreg., gave notice of intention to propose an amendment to authorize CCC to purchase surplus potatoes produced in 1946 and to dispose of such potatoes to any foreign country or UNRRA for foreign relief (p. 8935).
3. REORGANIZATION. On a motion by Chairman McCarran of the Judiciary Committee, made the President's reorganization plan 3 the unfinished business (p. 9010). The plans had been discussed earlier in the day by Sens. Wiley, Barkley, and others (pp. 8935-6, 8964-6).
4. LABOR-FEDERAL SECURITY APPROPRIATION BILL. Agreed to an additional conference report on this bill, H. R. 6739; and further conferees were appointed (pp. 8936-50). Insisted, 23-53, on striking out the Elliott amendment prohibiting NLRB orders, etc., regarding packing and canning employees (pp. 8938-50). House conferees were appointed also (p. 8932).
5. TREASURY-POST OFFICE APPROPRIATION BILL. Considered an amendment in disagreement regarding this bill (on silver prices, etc.); conferees were appointed for a further conference (pp. 8950-5).
6. WAR DEPARTMENT MILITARY APPROPRIATION BILL. Completed action on amendments in disagreement regarding this bill, H. R. 6837 (p. 8959). This bill will now be sent to the President.
7. VETERANS; TERMINAL LEAVE. H. R. 4051 (as reported July 11) provides for payment to enlisted members of the armed services for leave computed at the rate of 2-1/2 days per month, but not to exceed 90 days, less any leave taken, such payments to be made \$50 in cash and the balance in U. S. bonds to mature at 5 years, unless discharge occurred before Jan. 1, 1943, in which case payment will be all cash.

HOUSE

8. GOVERNMENT CORPORATIONS APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 6777 (p. 8862). The House further insisted on its disagreement to the Senate amendment authorizing a TVA fertilizer plant near Mobile, Ala.; after rejecting, 126-204, a motion by Rep. Whitten, Miss., to recede and concur with an amendment (pp. 8863-74). During the debate, Rep. Cooley, N. C., stated, "I have a letter from the Secretary of Agriculture and one from the master of the National Grange, both taking the position that this matter should be deferred until further consideration can be given it" (p. 8863).
9. FOOD SHORTAGE. Laid on the table H. Res. 565, requesting the Secretary to submit to the House a report on the food and feed shortage in Mass. (p. 8876). The motion was made by Chairman Flannagan of the Agriculture Committee, since he had received a letter from the Secretary on the situation. Rep. Rogers, Mass., said she was "not satisfied with what the Department of Agriculture has done in the distribution of food" (p. 8876). The resolution had been reported by the

State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent.

The result was announced—yeas 25, nays 54, as follows:

YEAS—25

Aiken	Gerry	Radcliffe
Ball	Green	Revercomb
Brewster	Hart	Smith
Bridges	Hawkes	Tobey
Brooks	Lucas	Wagner
Buck	McMahon	Walsh
Byrd	Mead	Wherry
Capehart	Overton	
Ferguson	Pepper	

NAYS—54

Austin	Hoey	Myers
Barkley	Huffman	O'Daniel
Briggs	Johnson, Colo.	O'Mahoney
Burch	Johnston, S. C.	Reed
Bushfield	Kilgore	Robertson
Capper	Knowland	Russell
Carville	La Follette	Stanfill
Chavez	Langer	Stewart
Donnell	McCarran	Swift
Downey	McClellan	Taft
Eastland	McKellar	Taylor
Fulbright	Magnuson	Thomas, Okla.
George	Millikin	Thomas, Utah
Gossett	Mitchell	Tunnell
Guffey	Moore	White
Gurney	Morse	Wiley
Hayden	Murdock	Wilson
Hill	Murray	Young

NOT VOTING—17

Andrews	Ellender	Shipstead
Bailey	Hatch	Tydings
Bilbo	Hickenlooper	Vandenberg
Butler	McFarland	Wheeler
Connally	Maybank	Willis
Cordon	Saltonstall	

So Mr. GREEN's motion was rejected.

Mr. McKELLAR. Mr. President, I move that the Senate further insist on its amendment numbered 7, ask for a further conference with the House thereon, and that the chair appoint the same conferees who were appointed before.

Mr. GREEN. Mr. President, I should like to know what is meant by appointing the same conferees who were appointed before. At the first conference I was one of the conferees on the part of the Senate. I have read in the RECORD, however, that at the second conference I was not included. We are now to have a third conference and the Senator from Tennessee requests that the same conferees be appointed.

Mr. McKELLAR. Mr. President, I am sure that the conferees on the part of the Senate should include the Senator from Rhode Island, because he was supposed to be among the Senate conferees at the previous conferences which were held on this matter.

Mr. GREEN. Unfortunately, the RECORD does not show that I was among

the Senate conferees at the second conference.

Mr. McKELLAR. I am very sorry. Of course, the Senator from Rhode Island should be one of the Senate conferees.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. McKELLAR, Mr. HAYDEN, Mr. GREEN, Mr. BAILEY, Mr. WHITE, Mr. GURNEY, and Mr. REED conferees on the part of the Senate at the further conference.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. BRIDGES. Mr. President, I send an amendment to the desk which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from New Hampshire.

The CHIEF CLERK. On page 9, between lines 14 and 15, it is proposed to insert a new paragraph, as follows:

No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or in substantial part therefrom.

Mr. BRIDGES. Mr. President, I wish to ask for immediate consideration of the amendment. My explanation of it will be very brief.

Day before yesterday an amendment offered by the Senator from Kansas [Mr. REED] was rejected by a small majority. There were certain fears expressed that the amendment was too wide in scope, and that it would have a very general effect upon a widespread variety of commodities. My amendment is more limited.

Mr. President, the amendment is very simple. It takes controls off grains, and, as the Senate can see by reading it, the amendment imposes definite limitations. So far as poultry and livestock feeds are concerned, instead of applying to all processed or manufactured commodities with grain as a basis.

In other words, it would not affect grain manufactured, we will say, into "Post Toasties," or corn sirup, or flour for bread, or any commodities of that kind. It is aimed primarily to meet the desperate situation in sections of the country which are deficit grain areas. By deficit grain areas I mean sections like New England, and States like New York, Pennsylvania, New Jersey, Delaware, in the East, and States like Oregon, Washington, California, and other States in the Pacific coast area, which must have grain from the great Middle West section in order to feed livestock and poultry.

The situation has been very desperate up to date in these areas, and has brought about wholesale liquidation of poultry flocks and liquidation of dairy

herds, and the condition will grow acutely worse.

The amendment is direct, it is aimed to relieve in the future a very desperate situation, and I ask for favorable action on it.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. OVERTON. As I understood the Senator's amendment, it includes livestock, poultry, and eggs?

Mr. BRIDGES. I will read the amendment to the Senator. It provides:

No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or in substantial part therefrom.

Mr. OVERTON. I thank the Senator.

Mr. TOBEY. Mr. President, I rise to endorse and second the statement made by my distinguished colleague, the senior Senator from New Hampshire [Mr. BRIDGES]. This matter has been on our hearts and in our minds for a long time. It comes from a desperate need in New England and the Northwest.

When the OPA control on grain was lifted, as it automatically was on the 1st of July, grain began to come to New England, and the men, women, and children of that section felt encouragement instead of discouragement. Grain came, and the flocks were being fed, and there was new hope in the hearts of those people.

As evidence of that, I wish to read two telegrams. One is from George M. Putnam, head of the Farm Bureau Federation of New Hampshire and long-time director of the American Farm Bureau Federation, known in this country as the grand old man of agriculture. There is no finer American citizen. He knows agriculture through and through, and his whole life has been devoted to the farmers and rural population of America. His telegram, dated yesterday, reads as follows:

CONCORD, N. H., July 11, 1946.

Senator CHARLES TOBEY,

Senate Office Building:

We appreciate action taken by Senate on dairy, poultry products, and meat. We regret failure to include feed grains. Letting ceilings back on grain is about the worst thing that could happen to our poultry and dairy industries in New Hampshire. Since OPA went out our grain men have been able to buy. If ceilings come back we will be in same situation as before, which you know was approaching a calamity. Is there any way left in which feed grains can be removed from ceiling control.

GEORGE M. PUTNAM,

President, New Hampshire Farm Bureau Federation.

The second, like unto the one I have just read, is from Andrew L. Felker, Commissioner of Agriculture of New Hampshire, a man of the utmost probity and character. He telegraphs me as follows:

CONCORD, N. H., July 11, 1946.

Senator CHARLES W. TOBEY,

Senate Office Building,

Washington, D. C.:

Senate vote on grain amendment pending OPA bill will cause all favorable gains se-

cured last 10 days to turn to losses. Will reinstate black-market practices. Increased grain supplies purchased and now moving in has helped livestock feeding greatly and saving the remnants of our poultry industry. With livestock prices in the West ranging higher than ever, control on grain will prevent any but meager supplies reaching this area. We are shocked at the result of the vote, and believe inestimable loss will accrue to livestock and poultry interests in New Hampshire. No complaints received from poultrymen or dairymen as regards increased prices on grains since OPA law ended. If nothing else can be done to correct this bad situation, feel that Reed amendment offered freeing all grain so far purchased and under contract for delivery up to August 1 will be helpful to New England.

ANDREW L. FELKER,
Commissioner.

Mr. President, I can state on my own reputation that what Andrew Felker and what George Putnam say about the dire situation represents the views of every commissioner of agriculture and every member of the Farm Bureau in New England. This is a desperate situation. Relief has come. Do not close the doors now. I appeal, with my colleague, that the ceiling be taken off grains for feeding purposes. Make it possible for the people of these areas to get some grain, and save the rural life of New England and the other areas from great suffering and loss and tragedy.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. SMITH. The Senator agrees with me, I think, in the statement that if we do not remove these controls the grain will go to beef cattle and hogs.

Mr. TOBEY. There can be no question about that.

Mr. SMITH. And our dairy herds and poultry flocks will have to be liquidated.

Mr. TOBEY. Nor can there be any question about that.

Mr. SMITH. I get the same desperate messages from New Jersey the Senator is getting from his State.

Mr. BARKLEY. Mr. President, we voted day before yesterday on the amendment offered by the Senator from Kansas [Mr. REED], which is in all respects the same amendment as the amendment now pending, with the exception that the Reed amendment forbade any ceiling price to be put upon products processed or manufactured in whole or substantial part from grain. The pending amendment provides that no ceiling shall be put upon grains or any livestock or poultry feed processed from grain.

The amendment as now offered was contained in the amendment upon which the Senate voted Wednesday. Every item in the amendment now pending, which is limited to livestock and poultry feed processed from grain, was included in the amendment offered by the Senator from Kansas [Mr. REED]. The only difference is that in the Reed amendment all feed and food, including flour, processed from grain, was barred from price ceilings, but that does not mean that everything contained in the pending amendment was not also in the other amendment, upon which the Senate voted. Therefore, I suggest that, it hav-

ing been voted upon heretofore, and rejected, it is not now in order.

Mr. BRIDGES. Mr. President, the amendment is wholly different from the amendment offered by the Senator from Kansas. The amendment offered by him and voted on, reads:

No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, and products processed or manufactured in whole or substantial part therefrom.

The amendment which is now under consideration, reads as follows:

No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or in substantial part therefrom.

It is a wholly different amendment.

Mr. BARKLEY. Will the Senator yield?

Mr. BRIDGES. Certainly.

Mr. BARKLEY. Does the Senator deny that the feeds he cover in his amendment were included in the Reed amendment? Were they not all in it, and is not the language identical down to the words "Standards Act as amended or"? Down to all except the last line and two or three words on the next to the last line it is identical with the language on which the Senate voted day before yesterday.

Mr. AIKEN. Mr. President, if I may answer the question, under the Reed amendment there is included even the most famous product of the State of the Senator from Kentucky, because that is manufactured from grain. I think everyone knows that more grain is used in industries, such as the steel industry, the aluminum industry, the liquor industry, the beer industry, and a thousand other industries, all industries together, than is used for cattle and poultry feed.

Mr. BARKLEY. According to the interpretation made by the Senator from Ohio and the Senator from Kansas a few days ago, nothing beyond the grain itself, or the first processed product, such as flour, would have been considered. So it would not include what the Senator describes as "Kentucky's most famous product." And there is some dispute even among Kentuckians as to what is Kentucky's most famous product.

Mr. TOBEY. Will the Senator say what is Kentucky's most famous product?

Mr. BARKLEY. We have the finest and most beautiful women and the finest and most beautiful horses.

Mr. AIKEN. But we in the Senate know what is the most famous product of Kentucky.

Mr. BARKLEY. I said we have the finest and most beautiful women and the finest and most beautiful horses.

Mr. AIKEN. And, of course, Kentucky's most famous product is the majority leader himself.

Mr. BARKLEY. No; I am not a product of grain, I will say, and I have not been processed out of it.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. TOBEY. May I address myself to the distinguished majority leader very briefly? He has a duty to perform in all these matters. I recognize that. I also recognize that even with the high sense of duty which is incarnate in the man who leads the majority, ALBEN W. BARKLEY, he also possesses a great sense of fairness, a great sympathy for human needs, and a desire to help out his fellowmen. While he is now raising a technical point, I rise and ask if out of the goodness of that great heart of his he will not let this amendment go to a vote so that we may, if possible, decontrol the grain which is so necessary for livestock feed, which would relieve a distress which exists all over the country.

Do not press that technical point too hard. Have a heart, ALBEN.

Mr. BARKLEY. I appreciate the second edition of the Macedonian cry coming from the Senator from New Hampshire.

Mr. TOBEY. I may say that I think it will be answered in finer language and in finer spirit than was the previous one.

Mr. BARKLEY. The record will show in regard to that.

Mr. President, I feel that the Senate has expressed itself. It is up to the Chair to rule on the point of order. If we are ever to put this bill behind us and get anywhere with it, we must make progress, and we cannot afford to spend our time voting upon practically the same thing over and over again. If the Chair rules that my point of order is not well taken, I will accept the Chair's ruling. But I think the Reed amendment we voted on the other day included every item of the amendment now pending, except that there was an element of human food involved in the other amendment which is not involved in the pending amendment. I do not think we can overlook the human element in regard to grain and its products.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from New Jersey.

Mr. HAWKES. I wish to say to the Senator from Kentucky that I think there is a very great difference between this amendment and the one offered by the Senator from Kansas [Mr. REED]. We had a long discussion here on Wednesday and to same extent yesterday about taking control off wheat. It was said that wheat was used for flour, and if wheat went up to a certain point, the result would be an increase in the cost of flour, and that the price of bread would be doubled. The discussion finally ended with a statement from the Senator from Vermont that if the price of wheat should double, as I recall, the increased cost of a loaf of bread resulting from that increase would be a cent and a half, approximately. Is that correct?

Mr. AIKEN. That is correct.

Mr. HAWKES. I understand from the Senator from New Hampshire [Mr. BRIDGES] that none of the grain which would be affected by his amendment is used for the manufacture of flour or its products or food for the human family. The wheat to be decontrolled under his amendment is what is called No. 2 and No. 3 wheat, used in making poultry feed. There is all the difference in the world between the two amendments. There is no comparison between them at all.

Mr. President, I come from a State which is largely interested in raising dairy and poultry products. My State is suffering very greatly from animal feed shortage. I am told that in some cases half of the dairy herds have been sold to be slaughtered, and that poultry flocks are 50 or 60 percent of what they were. The best informed men of my State on this subject further tell me that the American people do not know anything about this thing at the present time; that it will be a year or two before they begin to suffer seriously from what is happening, and it will take from 3 to 5 years to restore the herds and flocks and restore them to the point where they were. Therefore I am very strongly in favor of the amendment offered by the Senator from New Hampshire, and I repeat that to my mind it is an entirely different amendment from the amendment of the Senator from Kansas.

Mr. BARKLEY. Mr. President, will the Senator from New Hampshire yield to me to reply to the Senator from New Jersey?

Mr. BRIDGES. Yes.

Mr. BARKLEY. The Senator from New Jersey says that this amendment applies only to No. 2 and No. 3 grains. There is nothing in the amendment that says anything about No. 2 or No. 1 or any other number of grains. So far as the grain that is taken out from ceilings is concerned, it is exactly the same grain that was included in the amendment upon which we voted on Wednesday. It includes all grains that come under the United States Grain Standards Act—all grains—and that is the language that was contained in the amendment upon which we acted the other day. It makes no difference as to grain. All kinds of grains are exempted under this amendment. The only difference is that it does make a change of a word or two with respect to livestock and poultry feed made from grain. But the grain itself, which is the foundation of all processed feeds, whether animal or human, is the same kind of grain as that dealt with in the previous amendment. There is no difference between the language of the two amendments, so far as grain is concerned.

Mr. HAWKES. Mr. President, will the Senator from New Hampshire yield to me to make a very short remark?

Mr. BRIDGES. I yield.

Mr. HAWKES. My statement is based upon the talk I had with the Senator from New Hampshire that the amendment would involve only the use of the No. 2 and No. 3 wheat for poultry feed, and if the amendment does not mean that, then I think the Senator from New Hampshire should amend it so that it does mean that.

Mr. BARKLEY. The amendment is perfectly plain. It provides that no maximum price shall be applicable with respect to grain for which standards have been established under the United States Grain Standards Act. That includes all grains that are in that act, and that is what the Senate voted on the other day. What is done with the grain afterward is a different matter, but the grain is the same.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. AIKEN. I want to say that tens of thousands of small dairymen and poultrymen all through the Northeast were profoundly shocked night before last when they learned that the Senate had refused to decontrol grain and dairy and poultry feeds. They were particularly worked up because the Senate had previously voted to decontrol livestock and meat products. Then when the Senate voted to decontrol milk there was no longer any question in their minds but that grain would also be decontrolled. When we decontrolled milk and its products, it was very hard for them to understand just what had come over the Senate when we said to the farmers throughout the country, "You cannot have the grain to make the milk and to raise the poultry, because we have made a special inducement for that grain to be fed to hogs and other livestock."

All day yesterday I received telephone calls and telegrams from all over New England and New York State. Poultrymen and dairymen simply could not believe that the United States Senate was going to play that trick on them which it did play. They have asked that we reconsider and give them a chance to go on and live and raise poultry and make milk in that part of the country where they have to depend on the Midwest for their cattle and poultry feed to a large degree.

I have a few telegrams which were just handed to me. I just left the telephone booth, where I was awaiting a call which I knew was on the same subject. I will read some of these telegrams:

Senate action yesterday refusing decontrol feeds and grains while livestock products left on free market will mean rapid and tragic end to poultry and dairy industries in New England as well as other feed deficit areas. Can you possibly bring this before Senate for reconsideration?

H. K. WEBSTER Co.

LAWRENCE, MASS.

The H. K. Webster Co. is one of the largest feed mixing concerns in Massachusetts.

I have a telegram from Boston, Mass., as follows:

With reference Senator REED's amendment to eliminate grain and grain products from OPA control, which voted down yesterday, strongly urge some similar amendment to place grain and grain products on list of items exempted from control because the decontrol of meat, dairy, and poultry products with continued control of grains just cannot work and would positively mean ultimate suicide to New England poultry and dairy producers in addition to reviving black markets on larger scale than heretofore, resulting in continued shortage of flours and bread.

That telegram is from the Boston Grain and Flour Exchange, and they register further opposition to the OPA.

Here is a telegram from Charles M. Cox Co., one of the largest grain mixers of New England:

Regarding amendment voted down yesterday in reference to grain, think this should be reconsidered because the decontrol of dairy and poultry products with continued control of grains would spell ultimate suicide to New England poultry and dairy interests.

I have a telegram from E. W. Bailey & Co., of Montpelier, Vt., one of the largest independent grain mixers in my State. The telegram is as follows:

We again urge you redouble your efforts to prevent ceilings on grains with no ceilings on livestock and products this means catastrophe for New England agriculture.

They are feed mixers, and it might be assumed that they are looking out for themselves, but we have had equally desperate cries from the representatives of the farmers in New England and New York.

Here is a telegram from the Commissioner of Agriculture of my own State of Vermont:

Urge you continue effort to prevent passage of Price Control Act.

I am sure he means that part without the decontrol of grain in it.

You appreciate our desperate situation if feed controls are retained without control on meat and other products.

STANLEY G. JUDD,

Vermont Commissioner of Agriculture.

The Commissioner of Agriculture of Massachusetts called me on the telephone in a very desperate frame of mind. He said it means liquidation of hundreds and hundreds of flocks of poultry in Massachusetts if meats are decontrolled and grain is not, because they cannot get the grain unless it is decontrolled.

I have a letter from the Cooperative G. L. F. Exchange, Inc., of Ithaca, N. Y., the largest farmer cooperative in the United States. They represent 100,000 farmers in New York, Pennsylvania and New Jersey. I read a portion of their letter, as follows:

Deliveries of grain, which we have purchased in the open market, are coming in rapidly and we expect that during the week of July 8 that our feed mills will ship and manufacture between 10,000 and 15,000 tons of dairy and poultry feed. When one compares this to shipments of from 3,000 to 5,000 tons during the last week in June and the first week in July, he can appreciate what a free market has meant to northeastern farmers who have been driven to desperation in their efforts to sustain their dairy herds and poultry flocks.

C. N. SILCOX.

Mr. Quentin Reynolds, manager of the Eastern States Farmers Exchange of Springfield, Mass., called me yesterday morning. That exchange furnishes grain to probably 50,000 or 60,000 dairymen and poultrymen in New England, New Jersey, and Delaware. Mr. Reynolds could hardly believe that the Senate would vote to decontrol livestock and keep controls on grain, so that grain would not flow to the dairy herds and the poultry yards of the northeastern section of the United States.

Our farm people are desperate. All during July they were liquidating their

flocks and reducing their herds of cattle. This spring in New England the production of milk went down 16 percent below what it was last year, and it will go down more than that if our supply of grain is further cut off. We simply could not get grain during the month of June. I went into that subject day before yesterday at some length. I shall not repeat today what I stated then. But beginning on July 1 our farmers and dealers went into the Chicago market and bought all the grain that was necessary to carry them through July. Some of them bought a little more. They had to pay \$2.30 for corn, but they were able to get it. The grain which we are now getting in New England is costing us about \$89 a ton for 16-percent dairy ration. That price is so high because milo has been used as a substitute for corn. But corn will soon flow again. Our farmers cannot continue to pay \$89 a ton for dairy feed, but they will pay it for a few weeks in order to tide them over this period of the year until the new crop comes in.

It seems to me that, having decontrolled milk, poultry, and all kinds of livestock, we should decontrol grain and let this matter go to conference. Certainly it would be a calamity in those sections of the country which must purchase grain if this measure should go through as it now stands. I, for one, believe that the subject should go to conference.

I have heard it stated that an attempt would be made to prevent the joint resolution from going to conference. I shall not vote to prevent it from going to conference. But when the conference committee considers it, I want the conferees to have an opportunity to consider whether or not grain should be decontrolled along with livestock; and they cannot consider that question unless we adopt the amendment which is offered today.

It is inconceivable that Senators from any part of the country would take a stand which would sentence tens of thousands of poultrymen and dairymen in the northeastern part of the country to destruction. They cannot go on if they cannot get grain; and they will not get grain so long as there is a special inducement to feed it to hogs, sheep, or cattle. So I hope that Members of this body, particularly those from the South who voted almost unanimously against decontrolling grains, will give this amendment a chance to go to conference so that it may be considered. If it is not considered in conference, the agricultural economy of this country will be thrown completely out of balance, and that will not be good for the country as a whole. If the conference committee comes back and says, "We cannot decontrol anything," that will not leave us any worse off than we were before. But if the conferees say, "We are going to decontrol hogs and other livestock, and we are going to decontrol milk, but we are not going to decontrol grain," that will spell calamity to thousands of small farmers who are today looking to this Senate to help them.

Mr. President, I have nothing further to say. I hope that Senators from other sections of the country will realize the

plight in which we find ourselves, and help us to do something about it. The only thing that can be done now is to vote to decontrol poultry and livestock feeds.

Mr. BARKLEY. Mr. President, if I may have the attention of the Senator from New Hampshire [Mr. BRIDGES], let me say that I have no desire to do an injustice to any section of the country with respect to livestock feed. I have been trying to examine this modified amendment which strikes out all reference to grains coming under the United States Grain Standards Act as amended, so as to read:

with respect to grains for livestock and poultry feed processed or manufactured in whole or in substantial part therefrom.

I should like to suggest a modification so as to read:

with respect to grains certified by the purchaser thereof for use in the feeding of livestock or poultry or for use in the processing or manufacture of such feeds.

Mr. TOBEY. We accept that.

Mr. BRIDGES. I think that would be entirely satisfactory.

The PRESIDENT pro tempore. Will the Senator send to the desk the amendment as proposed to be modified?

Mr. BARKLEY. I shall have to dictate it as I go along.

Let me say frankly that this is a matter which requires some study. We cannot simply slap in some language and make it read as it should. Assuming that the joint resolution must go to conference, where we can deliberate and work on it, I suggest that my agreement to allow this amendment to go to conference does not in any way bind me to the language, or even to the proposal. But if it is going in, it certainly ought to be circumscribed in such a way as to indicate that the grain itself must be used for feed for poultry or livestock, or that it is certified as being intended to be used in the processing or manufacture of feed for poultry or livestock. With that understanding I shall not object to the amendment. Let me read it as I suggest modifying it:

No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains certified by the purchaser thereof as intended to be used for feed for poultry or livestock, or to be used in the processing or manufacture of such feed.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. I have been cooperating with the Senator from New Hampshire and urging him to offer this amendment. I thought we ought to get something to the conference committee for the conferees to work on, because if we adopt no amendment at all the conferees cannot give consideration to decontrolling grains, cattle feed, or anything of that kind. I realize that when this provision gets to conference the conference committee will probably start at the bottom and write a new measure. I do not see how we can achieve workable price control in any other way.

Mr. BARKLEY. The language which I have suggested will certainly put the question in conference.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. OVERTON. As I interpret the suggestion of the Senator from Kentucky, it excludes from control only grains which are certified to be used as livestock and poultry feed.

Mr. BARKLEY. That is true.

Mr. OVERTON. I think there should be that understanding.

Mr. BARKLEY. That is the understanding. It applies only to grains certified to be used for feed for livestock or poultry, or intended to be processed or manufactured into feed for livestock or poultry.

Mr. OVERTON. It does not exclude grains in their entirety, does it?

Mr. BARKLEY. No.

Mr. TAFT. Mr. President, in the first place I wish to express violent opposition to the idea that we are going to put in something which is to be rewritten in conference, or that the joint resolution is going to be rewritten in conference. If I am one of the conferees I shall insist upon every provision the Senate places in the joint resolution. We are not going to rewrite the joint resolution in conference. In my opinion, the conferees should stick by whatever the Senate places in it, unless the House is willing to vote on the measure and turn it down for some particular reason, because the House has taken no action. I dissent from the theory that we are going to put something in the joint resolution and then rewrite the whole measure in conference.

In the second place, so far as the proposal of the Senator from Kentucky is concerned, I think it is utterly and completely impracticable. We cannot control the price of wheat for one purpose and not for another purpose. We cannot decontrol it for one purpose and not decontrol it for another. So far as the suggested amendment is concerned, I think it is utterly and completely out of the question. I do not think we ought to adopt it merely for the purpose of taking something to conference. If we are to take something to conference it ought to be something reasonable, something that we can insist upon and hold in the joint resolution.

Mr. BARKLEY. Mr. President, there is no occasion for the Senator from Ohio to become so violent over this proposal. Of course, it is not a difficult performance on his part to become violent.

I recognize the difficulty of having grains used for one purpose not controlled, and grains used for another purpose under control. I suggested that difficulty to the Senators from New Hampshire and the Senator from Vermont only a moment ago.

Whether the House will accept what we write I do not know. If the House of Representatives should accept in toto anything the Senate might write, it would establish a new chapter in legislation. I have assumed—and I suppose we have a right to assume—that inasmuch as the House has considered nothing in regard to all these questions, if the joint resolution is sent to conference we shall have a wider field for deliberation and accommodation than we would

otherwise have. The suggestion that the technical language necessary to cover this subject might be written in deliberation, and with all the facts before us in conference, is not a wild suggestion with respect to senatorial action.

The Senate can do as it pleases with the amendment. I have suggested a modification of the amendment, in order to get away from the idea that we had voted on it the other day. If the Senator from Ohio or any other Senator objects to that, he can act accordingly.

Mr. REED. Mr. President—

Mr. BRIDGES. Mr. President, I yield to the Senator from Kansas.

Mr. REED. Mr. President, I wish to express concurrence with the view stated by the Senator from Ohio. Regardless of whether he was violent, he was very much in earnest, and his point was very well taken. No one who is familiar with the grain trade and the livestock feeding industry and no one of intelligence would ever attempt to say that we should decontrol meat and dairy products, but should leave under control the basic material for feeding meat animals and dairy cows. Every one I know agrees that such a position would be illogical. Now the amendment of the distinguished Senator from Kentucky would make it even more illogical.

Mr. President, it would be impossible to operate under the suggestion made by the Senator from Kentucky. Let us consider a feeder from New England who goes on the Chicago market to buy grain. From whom will he buy the grain? He will buy it from someone who already has purchased grain coming into the great grain market of Chicago from the West. The price that man paid for the grain as it came in will be the determining factor in regard to what the purchaser from New England will have to pay for the grain. The question of trying to distinguish between and make a difference between controls or noncontrols because of the use to which the grain is put is utterly impractical.

The effect of the suggestion of the Senators from Vermont and New Hampshire is that the amendment in its original form would have included flour. Flour is processed from grain. So the controls would have been removed from flour.

The language is that the controls on grain shall be removed and the controls on livestock and poultry feed processed or manufactured therefrom shall be removed. That is simple and it is easy to express. I hope this amendment will be adopted. The grain deficit areas of the United States are very much more concerned than we in the grain-producing areas are concerned, because of the price. The main effect of the decontrol of grains is not on the price. The main effect is to permit and to create a free flow of grain from the surplus grain-producing areas into the deficit grain areas and the grain-consuming areas, and they are much more interested in this amendment than are the people of the surplus grain-producing area, from which I come. Every man familiar with the grain trade knows that there has been a free movement of grain since July 1, and there had not been a free movement of grain prior to that time.

Mr. BRIDGES. Mr. President, I believe I have the floor.

MILITARY ESTABLISHMENT APPROPRIATIONS, 1947—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have been unable to agree on Senate amendments numbered 27 and 28.

ELMER THOMAS,
CARL HAYDEN,
JOHN H. OVERTON,
RICHARD B. RUSSELL,
ELBERT D. THOMAS,
CHAN GURNEY,
C. WAYLAND BROOKS,
CLYDE M. REED,

Managers on the Part of the Senate.

JOHN H. KERR,
W. F. NORRELL,
JOE HENDRICKS,
MICHAEL J. KIRWAN,
EMMET O'NEAL,
LOUIS C. RABAUT,
FRANCIS CASE,
HARVE TIBBOTT,
JOHN TABER,

Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. THOMAS of Oklahoma. Mr. President, I move the adoption of the report.

The report was agreed to.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6837, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 11, 1946.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 27 to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes, and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert:

"SEC. 20. Not to exceed 4 percent of any of the appropriations for the Military Establishment for the fiscal year 1947 may be transferred with the approval of the Bureau of the Budget to any other of such appropriations, but no appropriation shall be increased more than 4 percent thereby: *Provided*, That no such transfers shall be made to the appropriations under the headings 'Finance Department,' 'Quartermaster Corps,' and 'Corps of Engineers': *Provided further*, That a quarterly statement of any transfers made under the authority of this section shall be transmitted to the chairmen of the Appropriations Committees of the House of Representatives and the Senate: *Provided further*, That no part of any amount by which appropriations or subappropriations may be increased under the authority of this section shall be available for or on account of public works or land acquisition or to replace any funds thus used."

That the House recede from its disagreement to the amendment of the Senate numbered 28, to said bill, and concur therein with an amendment as follows: In lieu of

the figure inserted by said amendment insert "21."

Mr. THOMAS of Oklahoma. Mr. President, the whole issue involved in this matter is the percentage of funds which may be transferred from one fund to another fund under the military establishment appropriation bill. The Senate placed in the bill a provision that the amount which could be transferred from one fund to another should be 10 percent. At first the House was not agreeable to any percentage. We finally have compromised on 4 percent.

So the proposal now before the Senate is that in case of emergency the War Department shall be permitted to take 4 percent out of one fund, where it is not needed, and add the 4 percent to another fund where it is needed. That is all the provision is.

Mr. WHITE. Mr. President, that is a much smaller percentage of transfer than is usually allowed, I believe.

Mr. THOMAS of Oklahoma. Yes. Generally 10 percent is allowed. Sometimes 5 percent is allowed. The present proposal is the smallest percentage of transfer that is provided for by any law which has been passed this year.

Mr. President, I move that the Senate concur in the amendments of the House of Representatives to the amendments of the Senate numbered 27 and 28.

The motion was agreed to.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. BRIDGES. Mr. President, before the interruption occurred, I had the floor; and, so far as I know, I did not lose it.

The PRESIDENT pro tempore. The Senator from New Hampshire has the floor.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. TUNNELL. I desire to associate myself with the Senators from New Hampshire and the Senator from Vermont in regard to the idea of decontrolling grain when used for feed for poultry and animals. I am not one of those who believe that such a step is a great departure, in view of the fact that the Senate already has provided for decontrol of the poultry and meat industries.

So, regardless of the language in which the amendment is expressed, if it is set out clearly so that it covers only feed for poultry and meat animals, I think it will answer the purpose.

I am not in favor of announcing to the people of the United States that we are trying to raise the price of bread. I do not want to go into that matter.

Mr. BRIDGES. Mr. President, I think that point is covered. Personally I wish to say now that I, as the author of the amendment, will accept—

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. YOUNG. I simply cannot see how an amendment such as is proposed is

workable or is even clear. The average grain buyer sells his grain to a local elevator or to a miller in Minneapolis. A feed mixer from New England will offer him perhaps 15 cents above the market price. Who gets the benefit? The farmer does not. The elevator man or someone else does.

Mr. AIKEN. Mr. President, I wish to say that the northwestern farmer cooperatives have been very helpful in connection with this matter. When grain is sold by the cooperatives to the New England mixers, the result must be to help the farmers, because the cooperatives are organized by the farmers, and thus the farmers themselves are selling it.

Mr. HAWKES. Mr. President, will the Senator repeat that statement? We could not hear, from where we were sitting, because the Senator turned the other way.

Mr. AIKEN. I was saying, in reply to the statement of the Senator from North Dakota, that the northwestern farmer cooperatives, which are owned by the farmers themselves, have been very helpful in trying to get grain for our Northeast feed mixers during this famine emergency. They could not get anywhere near what they wanted to get for us, but they got all they could. When the farmers' cooperatives themselves make sales to the northeastern feed mixers, certainly the farmers must benefit from that. I do not know why they need to sell through a broker, because I am sure we would be glad to buy it directly from them.

Mr. YOUNG. Mr. President, of course any profit will go back to the farmer who is a member of the cooperative, if the grain is sold by a cooperative. But the bulk of the grain is not sold to the cooperatives. It is sold to the elevator men or the storage men, and then they get the benefit of it.

Mr. AIKEN. Of course, the bulk of the grain is not used for chicken feed or cattle feed, either.

Mr. BARKLEY. Mr. President, I should like to say that, as originally offered, the amendment provided for the decontrol of all grains, no matter, to what use they might be put, so there would be no ceiling whatever on grain, but there would be a ceiling on flour made from grain. That would be an utterly inconsistent situation. It would be unfair to every miller in the United States and to every processor of grain into flour, because there would be no ceiling on grain itself but there would be a ceiling on flour. That is why I think it is necessary that there should be a certification that the grain is intended to be used for poultry and animal feed, and not for human feed.

SEVERAL SENATORS. Vote! Vote!

Mr. BARKLEY. Mr. President, if the Senator has modified the amendment according to the suggestion, I withdraw the point of order.

The PRESIDENT pro tempore. The amendment is modified, and the Senator from Kentucky withdraws his point of order.

Mr. JOHNSON of Colorado. Mr. President, I move to reconsider the vote

by which the so-called Reed amendment was disposed of a few days ago.

Mr. BARKLEY. Mr. President, I do not believe that such a motion would be in order until the pending amendment has been disposed of.

The PRESIDENT pro tempore. If the Senator wishes to raise the point of order, that is his privilege.

Mr. OVERTON. Mr. President, as a substitute for the pending amendment I offer the amendment which was originally offered by the Senator from New Hampshire.

The PRESIDENT pro tempore. The amendment offered by the Senator from Louisiana in the nature of a substitute will be stated.

The LEGISLATIVE CLERK. In lieu of Mr. Bridges amendment, as modified, at the proper place in the bill it is proposed to insert the following:

No maximum price and no regulation or order under this act, or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, and any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. OVERTON] in the nature of a substitute for the modified amendment of the Senator from New Hampshire [Mr. BRIDGES].

Mr. OVERTON. Mr. President, in offering the amendment which was originally suggested by the Senator from New Hampshire, my purpose is to exempt all grain. I do not see how we can control grain which is to be used for certain purposes and decontrol it when it is to be used for other purposes. We cannot certify grain to be used, as has been suggested, for stock feed and for poultry feed, and then control the price of grain generally. I therefore favored the amendment which was originally offered. It seems to me that by adopting the amendment we would be making it possible to enact a law along practical lines.

The Senator from Kentucky has stated that if there is no control on grain, the situation would be inconsistent because there is a ceiling on flour. But if, under a decontrol plan, the price of grain goes down, the ceiling price of bread and flour must go down correspondingly. If it goes up the ceiling price will be increased. At least that would be the situation if the Office of Price Administration function properly. But it does not seem to me that to decontrol grain used for an isolated purpose, and at the same time control all the rest of the grain, would be an impracticable proposition.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Louisiana.

Mr. BARKLEY. Mr. President, I shall be compelled to renew my point of order against the substitute which I made originally. Under the amendment which we voted for the other day, all grains were to be decontrolled, no matter for what purpose they were to be used. Un-

der this amendment, all grains are to be decontrolled, no matter for what purpose they are to be used. Therefore, they are identical. The only difference would be that in the processed product, as provided for in the substitute amendment, the limitation would apply to feed for livestock and poultry. But, so far as the grain itself is concerned, it would all be decontrolled. I insist that there is an inconsistency between having a free market for grain and a controlled market for the product of the grain, such as flour which is used for human consumption. On Wednesday last the Senate voted down the Reed amendment because it was afraid that to decontrol not only grain but all the articles processed or manufactured out of grain, would involve the table of the American family and increase the price of the food products which are produced from grain.

It was obvious that the Senator from New Hampshire was attempting to limit the effect of the processed article to feed for livestock or poultry, although so far as grain is concerned the effect would be just the same as that of the amendment of the Senator from Kansas.

Mr. OVERTON. Mr. President, I was opposed to the amendment offered by the Senator from Kansas [Mr. REED] because it took control off foods processed from grain. I refer to foods such as cereals, bread, and all other foods consumed by the American family. Therefore I was opposed to the amendment, and I would still be opposed to it if it should come before the Senate. However, I would favor an amendment which would decontrol grain only, and livestock and poultry feed processed from grain. The only similarity in the situation is that the Reed amendment embraced what is contained in the pending amendment, as well as other things which caused certain Senators, including myself, to be opposed to it.

Mr. BARKLEY. Aside from the point of order, Mr. President, I do not see how we can consistently remove all controls from a fundamental product such as grain, and still retain them on anything which is processed from grain.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. It is perfectly consistent, it seems to me, to take the controls off grain and yet retain the power to fix the miller's margin, so that he is not free to charge too great a margin between the cost of wheat and the price of flour, and to retain control of the baker's margin so that the baker may be regulated and be required to sell his bread on a basis having some reasonable relation to his costs. That is a perfectly possible thing to do. Even though the price of wheat fluctuates, it affects only the price of bread by about 15 percent. It is perfectly consistent to remove control from wheat and retain the margins for the miller and for the baker.

What is impossible, it seems to me, is to try to take control off wheat for one purpose and leave it on for another purpose.

Mr. BARKLEY. The higher the price which wheat would go when uncon-

trolled, the higher the miller's margin would be in terms of dollars. If it is a margin based on a percentage, the more he pays for his wheat, although he retains the same percentage of margin on flour in terms of dollars and cents, the greater the price would be, because a given percentage on wheat costing \$2.20 a bushel would amount to more in dollars than the same margin on wheat costing \$1.25 a bushel.

Mr. TAFT. The miller is a processor. Under the Barkley amendment which was approved by the Senate, what has been given is the same dollar-and-cent margin that he had in 1940. So there is no question of percentage. In any event, if we retain controls over the margin—

Mr. BARKLEY. The miller is given a dollar price value on his product, but he is given the same margin which he received in 1940.

Mr. TAFT. That is a dollar-and-cents margin.

Mr. BARKLEY. It may be a percentage margin.

Mr. TAFT. The Administrator may establish a percentage margin, but he is not required to do so. He may make it a dollar-and-cents margin.

Mr. BARKLEY. Mr. President, I am willing to have the Chair pass on the point of order. I should like to get along with the bill.

The PRESIDENT pro tempore. The Chair has considered the amendment of the Senator from Kansas [Mr. REED], which was voted on last Wednesday. The Chair holds that, down to the word "amended," it was exactly the same as the amendment which was first offered by the Senator from New Hampshire and later offered by the Senator from Louisiana. The Reed amendment proceeds from the word "amended" as follows: "and products processed or manufactured in whole or in substantial part therefrom." That is very inclusive language. Products for human food, products for livestock feed, and products for poultry, as provided for in the Reed amendment, include both livestock and poultry. It does not include human food, and, perhaps, it does not include many other things. In other words, it would be the same as if an amendment were offered proposing to pay \$50 for something, and it were voted down, and then someone would offer an amendment to make the amount \$25, which would be in order.

So, in the opinion of the Chair, the amendment now offered, relating merely to livestock or poultry feed, covers a portion, and a very considerably less portion, of the products processed or manufactured, than are included in the amendment passed upon day before yesterday. Therefore, it is in order, in the judgment of the Chair.

Mr. MYERS. Mr. President, I am not a farm boy. I was born in a city, reared in a city, educated in a city, and still live in a city. Nevertheless, I am concerned with the farmers' problems and the farmers' prosperity. The situation which now faces us would certainly be amusing if it were not so tragic. For tragedy faces not only the American consumer in the city but the consumer on

the farm. Here grown men, the Congress of the United States, indicate that it is possible to remove ceilings on the raw product and yet continue ceilings on the finished product. We might just as well remove ceilings on steel and yet keep ceilings on every article processed from steel. We might just as well remove the ceilings on cattle, decontrol cattle, but continue ceilings on every piece of meat which is sold in the Nation through the packer, the wholesaler, and the retailer.

Here we are asked to decontrol all grains. Probably a thousand or 2,000 articles may be processed from grains, yet this same amendment continues ceilings on every product that is processed from grains.

If any Senator deliberately and intentionally set out to frame an amendment which could not be administered, or to frame an amendment which would torpedo price control, he could find no more effective weapon than this proposal.

So, Mr. President, why not be frank about it? The advocates of the pending amendment should decontrol everything, or keep some satisfactory, worthwhile, sane controls in effect. For the Congress of the United States to decontrol grain and say, "Well, we do not want to increase the price of bread or cereals, or other food products," is not understandable, because an amendment like this would remove the controls on all the raw materials from which many foods are processed. It will necessarily increase the price to the consumer of all foodstuffs which are made from these raw materials.

A few days ago I read a letter written by a wholesale grocer in Pennsylvania. Someone later questioned what was stated in the letter. But the grocer did say that in April he had bought flour at \$6 a barrel, and in July, after the removal of price controls, he had to pay \$11 and some cents a barrel for flour. That means an increase in the price of bread, an increase in the price of much that goes on the poor man's table.

So, Mr. President, let us not hide behind the phraseology of this amendment. Those who propose the amendment, those who vote for it, must admit that prices of foodstuffs are going up if the amendment becomes law. In order to increase the supply of feed in some areas it is proposed to break down all price controls. It is as if one had a sore thumb and cured it by cutting off his arm. That is exactly what this amendment will do.

Mr. President, I hope the amendment will be rejected.

Mr. TAYLOR. Mr. President, I have tried to be consistent in this matter of the renewal of OPA. I imagine many other Senators have had the same pressures put upon them as I have had. There have been representatives of different groups sent all the way to Washington from Idaho to plead and cajole and possibly threaten a little in attempting to persuade me to vote to release this article or that article from price control. Some of the arguments have been very persuasive. I have been moved by them, and wish I could comply with the requests. But, as I have said, I have tried to be consistent.

Unlike some of my colleagues, I have confidence in those who are administering OPA. One of the strangest things I have noticed since I have been in Washington is that, taking OPA for example, that being probably the most outstanding instance, there are men connected with it who have been with large corporations—General Foods, for example. I remember one man from General Foods working for OPA who was a very capable man, in my estimation.

Senators abuse these officials and call them bureaucrats the minute they start to work for the Government, but I guess that as soon as they resign from the Government and go back to their private enterprise, they will be heroes of private enterprise.

I have confidence in the administration of OPA. We would have much better administration, possibly, if we did not abuse the well-meaning and capable citizens who patriotically come here from private industry to help us out.

I cannot see my way clear to show any favoritism in this matter. It is a question of choice between the lesser of two evils. I do not claim that OPA is a picnic or a happy day for anyone. I know it has put some people out of business because OPA did not act on their requests for adjustments soon enough. On the other hand, if OPA is finally killed off, and the inflation spiral continues, I am afraid that numberless small businessmen will be put out of business, when the boom reaches its full crest and then collapses. It has happened before.

So, much as I have been moved by the pleas of the Senators from the Northeastern States—and I know that the people of that section must be in dire straits, and I would like to help them in this matter if I could—I am compelled to vote against the pending amendment. I have voted against every amendment, because, as I have said, I think we should leave it to OPA to decontrol things in an orderly way, as I am sure they will as fast as they possibly can.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. KILGORE. Some time ago the Senator spoke of numerous people who had come to him from Idaho. I was impressed by the fact that the Senator mentioned that each one was asking that controls be taken off a commodity in which a specific individual or group of individuals was interested. Was it also the Senator's experience that most of them said, "Now, I am in favor of OPA, but I think in this bill you must take the price ceilings off these articles." Was that the Senator's experience?

Mr. TAYLOR. They made it clear to me that they were representing a certain group or groups, and they wanted to keep hands off entirely as far as other things were concerned.

Mr. KILGORE. Did not the Senator get the impression also that each one really felt, and sincerely felt, that his price ceilings could be moved and the others undisturbed, so that he would be affected only in the price he got for his material, and not in the price he was going to have to pay for the things he was going to have to buy?

Mr. TAYLOR. That is a statement of fact.

Mr. KILGORE. I wondered if other Senators had had the same experience I had.

Mr. TAYLOR. Yes. Every man seems to think if he can have price controls removed from his product it will not affect anyone else, or that he will not be affected at all because someone else happens to get his product out from under price control.

Mr. President, in voting against the pending amendment I am not doing it to injure the people of the Northeastern States. Regardless of what the Senator from Ohio said to the effect that we were going to have the bill exactly as it leaves this Chamber, I am hopeful we will get a better bill out of conference than we are voting here at the present time, that the conferees will either be consistent and put grain and poultry and dairy products back under control, or will decontrol wheat, one or the other.

Inasmuch as I have voted against all amendments decontrolling specific products, I am going to vote against the pending amendment.

I wish to make another appeal to the Senate. Yesterday I called attention to the situation in Hungary, where price controls were removed a year ago, and the pengö which was worth 17 cents at one time, had gone to such a point that it took trillions of them to be worth a dollar. In fact, it had finally gotten to the point where they were good only for waste paper.

Mr. President, I have here another editorial from the Washington Post of this morning, one paragraph of which I wish to read, and then to have the entire editorial inserted in the RECORD. We are not conducting an experiment here in what can happen when we destroy price control. We have the object lesson of what has happened in Hungary. The title of the editorial is "Inflation in Hungary."

The editorial proceeds:

Hungary has been reduced to desperate straits by the monstrous inflation that followed removal of all price controls after the country had been liberated from the Germans. Austria, where wages and prices are rigidly controlled, is said to be much better off than her neighbor, despite shortages as great as, or greater than, those of Hungary, and equally urgent reconstruction needs.

The editor goes on to tell how the streets of Budapest are strewn with paper currency which is of no value whatever. At the end of the editorial we find the following:

Hungary has learned the hard way that it is safer to ration scarce commodities than to proceed on the rash assumption that a bad situation cannot be made much worse by dispensing with controls and letting prices rise unchecked.

Here we have in a very concrete form the lesson of what can very likely happen to us, and yet we proceed merrily on our way scuttling price control.

I plead with the Senate to take cognizance of the lesson that is before us in the case of Hungary, which did away with price controls 1 year ago, and Austria, which kept price controls. Austria

is moving along in an orderly manner, and Hungary is prostrate.

I ask unanimous consent that the whole editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INFLATION IN HUNGARY

Hungary has been reduced to desperate straits by the monstrous inflation that followed removal of all price controls after the country had been liberated from the Germans. Austria, where wages and prices are rigidly controlled, is said to be much better off than her neighbor, despite shortages as great as or greater than those of Hungary, and equally urgent reconstruction needs. That is not surprising, for when inflation reaches the point at which currency has to be spent immediately by the holder to avoid heavy losses, an economy based on money simply falls apart.

Stories from Budapest states that the streets are littered with discarded paper money that has entirely lost its value. The wonder is that anyone is willing to take paper of even fantastically large denominations. However, so long as the seller of goods harbors a hope of exchanging rapidly depreciating money for other goods at a nominal profit a certain amount of money will continue to circulate, supplementing the barter economy that always flourishes under such conditions.

The major sufferers from such conditions are the wage earners and salaried workers who receive their pay in money. Wage and salary increases can never keep pace with inflationary advances in prices. Shops in Budapest are reported to be closing early so that by the time workers are released from factories and offices, they find themselves deprived of the opportunity to buy necessities. That, of course, is just another form of flight from the currency—one that carries a threat of starvation to those who are dependent on paper money.

It takes little imagination to picture the effect of such demoralizing conditions upon worker morale and employer activity. Production for the market becomes a gamble that few care to risk. So far as the worker is concerned, the effort to earn a living is a losing game that is bound to end in destitution and suffering. Hungary has learned the hard way that it is safer to ration scarce commodities than to proceed on the rash assumption that a bad situation cannot be made much worse by dispensing with controls and letting prices rise unchecked.

Mr. LANGER. Mr. Chairman, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. The vote now is on the substitute offered by the Senator from Louisiana [Mr. OVERTON] to the modified amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

The PRESIDENT pro tempore. The Senator is correct.

Mr. AIKEN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Daniel
Austin	Hawkes	O'Mahoney
Ball	Hayden	Overton
Barkley	Hill	Pepper
Brewster	Hoey	Radcliffe
Bridges	Huffman	Reed
Briggs	Johnson, Colo.	Revercomb
Brooks	Johnston, S. C.	Robertson
Buck	Kilgore	Russell
Burch	Knowland	Smith
Bushfield	La Follette	Stanfill
Capehart	Langer	Stewart
Capper	Lucas	Swift
Carville	McCarran	Taft
Cordon	McClellan	Taylor
Donnell	McKellar	Thomas, Okla.
Downey	McMahon	Thomas, Utah
Eastland	Magnuson	Tobey
Ferguson	Mead	Tunnell
Fulbright	Millikin	Wagner
George	Mitchell	Walsh
Gerry	Moore	Wherry
Gossett	Morse	White
Green	Murdock	Wiley
Guffey	Murray	Wilson
Gurney	Myers	Young

The PRESIDENT pro tempore. Seventy-eight Senators having answered to their names, a quorum is present.

The question is on agreeing to the substitute amendment offered by the Senator from Louisiana [Mr. OVERTON] to the modified amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

Mr. BRIDGES. Mr. President, may I explain my position, which is a rather difficult one. The Overton substitute is word for word the amendment which I offered. When the point of order was raised against my amendment, which I was advised probably would be sustained, I agreed in good faith to accept the cooperation of the majority leader [Mr. BARKLEY] in modifying the form of the amendment. I did this because I wanted to get some protection to save the dairy farmers, livestock and poultry raisers of my section. Then the Chair ruled the original amendment which I offered, and which has now been offered by the Senator from Louisiana [Mr. OVERTON] to be in order. Therefore I cannot object to the pending amendment, which was originally proposed by me. At the same time I do not like publicly to break faith, or privately either, with the majority leader, the Senator from Kentucky [Mr. BARKLEY], after his cooperation in perfecting a modified form of my amendment. I wanted to explain my position because I shall vote in favor of my original amendment now being offered by the Senator from Louisiana. What I seek is the most effective and reasonable amendment which I believe is the original one I offered.

Mr. OVERTON. Mr. President, the Senator from New Hampshire has made a correct statement. I have no interest at all in the amendment, except I thought it was bad legislation. I thought the Reed amendment also was bad legislation. I was opposed to it. It is true I did not vote on it because I was absent at the time the vote was taken on it, being unavoidably detained. I thought the modified amendment offered by the Senator from New Hampshire was also bad legislation, and in an effort to have what I thought was proper legislation on the subject matter I took the original amendment offered by the Senator from New Hampshire and offered it as a substitute. The Senator from

New Hampshire is entitled to all the credit.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. AIKEN. I wish to say that I find myself in exactly the same position as does the Senator from New Hampshire. The grapevine apparently was out of order, because we felt very strongly that the original amendment offered by the Senator from New Hampshire was to be ruled out on a point of order. That was not done.

I wish to say that I do think this amendment is very much different from the one which was offered yesterday, which would have covered all human foodstuffs as well. For that reason I thought it was better to accept the Barkley modification than to have nothing at all voted upon.

Mr. OVERTON's substitute for the modified amendment offered by Mr. BRIDGES is as follows:

On page 9, between lines 14 and 15, to insert the following:

"(10) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, and any livestock or poultry feed processed or manufactured in whole or substantial part therefrom."

The PRESIDENT pro tempore. The yeas and nays have been ordered on the amendment. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] and the Senator from New Mexico [Mr. CHAVEZ] are detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting the Senator from New Mexico [Mr. CHAVEZ] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Min-

isters as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine Independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent. If present he would vote "yea."

The result was announced—yeas 42, nays 36, as follows:

YEAS—42

Alken	Fulbright	Reed
Austin	George	Robertson
Ball	Gossett	Smith
Brewster	Gurney	Stanfill
Bridges	Hart	Stewart
Brooks	Hawkes	Taft
Buck	Johnson, Colo.	Thomas, Okla.
Bushfield	Langer	Tobey
Capehart	McClellan	Walsh
Capper	Millikin	Wherry
Cordon	Moore	White
Donnell	O'Daniel	Wilcy
Eastland	Overton	Wilson
Ferguson	Radcliffe	Young

NAYS—36

Barkley	Johnston, S. C.	Murdock
Briggs	Kilgore	Murray
Burch	Knowland	Myers
Carville	La Follette	O'Mahoney
Downey	Lucas	Pepper
Gerry	McCarran	Revercomb
Green	McKellar	Russell
Guffey	McMahon	Swift
Hayden	Magnuson	Taylor
Hill	Mead	Thomas, Utah
Hoe	Mitchell	Tunnell
Huffman	Morse	Wagner

NOT VOTING—18

Andrews	Connally	Saltonstall
Bailey	Ellender	Shipstead
Bilbo	Hatch	Tydings
Butler	Hickenlooper	Vandenberg
Byrd	McFarland	Wheeler
Chavez	Maybank	Willis

So, Mr. OVERTON's amendment in the nature of a substitute for the amendment of Mr. BRIDGES, as modified, was agreed to.

The PRESIDENT pro tempore. The question now is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES], as amended. [Putting the question.] The Chair is in doubt.

Mr. REED. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. OVERTON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. OVERTON. The amendment which I offered was a substitute for the amendment offered by the Senator from New Hampshire [Mr. BRIDGES], was it not?

The PRESIDENT pro tempore. The Senator is correct. The parliamentarian advises the Chair that the Senate must vote on the amendment of the

Senator from New Hampshire as amended, which is exactly the same as the substitute. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

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The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

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The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent. If present, he would vote "yea."

The result was announced—yeas 45, nays 34, as follows:

YEAS—45

Aiken	Fulbright	Radcliffe
Austin	George	Reed
Ball	Gossett	Robertson
Brewster	Gurney	Smith
Bridges	Hart	Stanfill
Brooks	Hawkes	Stewart
Buck	Hoe	Taft
Burch	Johnson, Colo.	Thomas, Okla.
Bushfield	Johnston, S. C.	Tobey
Capehart	Langer	Walsh
Capper	McClellan	Wherry
Cordon	Millikin	White
Donnell	Moore	Wiley
Eastland	O'Daniel	Wilson
Ferguson	Overton	Young

NAYS—34

Barkley	Knowland	Myers
Briggs	La Follette	O'Mahoney
Carville	Lucas	Pepper
Chavez	McCarran	Revercomb
Downey	McKellar	Russell
Gerry	McMahon	Swift
Green	Magnuson	Taylor
Guffey	Mead	Thomas, Utah
Hayden	Mitchell	Tunnell
Hill	Morse	Wagner
Huffman	Murdock	
Kilgore	Murray	

NOT VOTING—17

Andrews	Ellender	Shipstead
Bailey	Hatch	Tydings
Billbo	Hickenlooper	Vandenberg
Butler	McFarland	Wheeler
Byrd	Maybank	Willis
Connally	Saltonstall	

So, Mr. BRIDGES' amendment as amended was agreed to.

Mr. TOBEY. Mr. President, I move that the Senate reconsider the vote by which the amendment was adopted.

Mr. BRIDGES. I move to lay on the table the motion to reconsider.

The PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. HOEY. Mr. President, I send to the desk an amendment, which I offer and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 9, between lines 14 and 15, it is proposed to insert the following:

(11) No maximum price and no regulation or order under this act or the Stabilization Act of 1942 as amended, shall be applicable with respect to leaf tobacco and tobacco products processed or manufactured in whole or a substantial part therefrom.

Mr. HOEY. Mr. President, this amendment is identical to the one adopted to the previous OPA bill. It is admitted on every hand that there is an ample supply of both tobacco and tobacco products. The Secretary of Agriculture has made the statement that the crop report issued on July 10 shows that the leaf tobacco crop for 1946 amounts to 1,274,000,000 pounds. It shows that the amount of the 1946 crop, all combined—both leaf tobacco, flue-cured tobacco, burley tobacco, all of it—will exceed 2,000,000,000 pounds.

I may say in this connection that under this joint resolution, if passed of course, the Department of Agriculture would have authority to release tobacco and tobacco products from controls, and I do not think there would be any hesitancy in doing so. But the emergency which requires the adoption of the amendment at this time is that the tobacco market opens on July 24, and under the joint resolution it would take some time to remove controls from tobacco and tobacco products.

It will be recalled that under the joint resolution it is the duty of the Secretary of Agriculture to certify the commodities which are in short supply, but he must do that within 30 days following the enactment of this measure, and prior to September 1. Therefore, if the joint resolution is passed without including the pending amendment, it would be too late before tobacco could be decontrolled, for the tobacco markets

would be open and a large part of the farmer's crop would have been sold. Yesterday, I was advised by the Department of Agriculture that it is in favor of decontrolling tobacco. I was also advised by the OPA that it has no objections to having tobacco and tobacco products released from controls, so far as it, the OPA, is concerned. I do not mean to say that they suggested that I offer this amendment. But they said that when the certification by the Secretary of Agriculture that tobacco was not in short supply came to them, if it should come, of course they would decontrol tobacco because there would be an adequate supply.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. PEPPER. If the OPA and the Secretary of Agriculture feel that way about it, would not the OPA Administrator have authority to decontrol tobacco, so that there would be no necessity for the amendment?

Mr. HOEY. No. When this joint resolution is passed, then the OPA will decontrol only upon a certificate by the Secretary of Agriculture that the commodity is not in short supply. But the joint resolution provides that the Secretary of Agriculture must so certify within 30 days preceding the first day of the following month. Therefore, he could not certify that tobacco was in short supply until about September 1. The markets in the State of Georgia open beginning on July 24. In South Carolina they open the following week. In my State they open the following week. So the farmers would have a large part of their supply sold before decontrol could take effect, unless the amendment I have proposed is adopted.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. HOEY. I yield.

Mr. PEPPER. Is not the distinction, though, that the theory of those of us who are opposing these amendments is that it is wrong for the Congress to decontrol commodities when we are still facing rising inflation? Of course, when I say that I frankly state that we attribute the utmost good faith to the probity and accuracy of the report of the able Senator from North Carolina. Tobacco is an important commodity in my State, just as are the other commodities with which we have dealt by way of decontrol. If the administrative agency, having the full facts before it, determines what the proper price is and moves it one way or the other, or if it determines upon decontrol, then I have no objection whatsoever to decontrol, and in some cases I welcome it. But there is a distinction, is there not, between having the Congress pass upon matters with which it is not familiar, as compared to leaving the matter to the administrative agency which is supposed to be informed as to the facts?

Mr. HOEY. I may say to the Senator from Florida that every agency holds that there is an adequate supply of tobacco. Other commodities have been decontrolled in the pending measure. It is simpler and would save time and would enable the farmers to receive whatever

price they would get on the basis of the grade of their tobacco, if the amendment could be adopted and tobacco decontrolled before the markets open, so that the growers in Florida, South Carolina, North Carolina, Georgia, and the other States concerned would have a fair chance to receive whatever increased price might come to them because of the increase in the price of the particular grade of tobacco which they grow.

Mr. PEPPER. Mr. President, I think it would save time to modify the amendment so as to provide for the decontrol of all commodities.

Mr. BURCH. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. BURCH. Is it not a fact that if the OPA were still in effect, tobacco would be decontrolled anyway, and would no longer be under the ceiling price controls?

Mr. HOEY. It would be.

Mr. BURCH. That is true because the production of tobacco this year is in excess of the consumption, both as regards the domestic and the foreign trade.

Mr. HOEY. That is correct.

Mr. President, I know of no objection to the amendment. I shall not trespass on the time of the Senate. I trust that the amendment will be adopted.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The question is on agreeing to the amendment offered by the Senator from North Carolina.

The amendment was agreed to.

PLANS FOR REORGANIZATION OF EXECUTIVE DEPARTMENTS

Mr. WILEY. Mr. President, yesterday I served notice of my intention to call up, respectively, Senate Concurrent Resolutions 64, 65, and 66, disapproving the President's Reorganization Plans Nos. 1, 2, and 3. The House has taken action disapproving the plans.

I have been informed by the majority leader that there will be a session tonight and a session tomorrow. I have tried to obtain an agreement with him to the effect that these resolutions would be called up tomorrow. But I have not been able to obtain such an agreement.

I tried to get an agreement yesterday. I tried to get one today. But I wish to say that in view of the fact that there is still hope that we shall be able to dispose of the OPA legislation this evening, and in view of the repeated requests of both Democrats and Republicans that I defer moving the consideration of these resolutions, I am not going to move for their consideration this evening. However, Mr. President, I shall take the time now, briefly, to discuss the situation because I sincerely believe that a large majority of the Senate have failed to understand what is involved. I shall be very brief.

Mr. OVERTON. Mr. President, will the Senator yield so that I can propound a parliamentary inquiry in connection with the matter which has been brought before the Senate?

Mr. WILEY. I prefer not to yield at the present time. I have waited all afternoon for the opportunity to speak.

Mr. OVERTON. A time has been prescribed for debate, and I wish to know whether it is in relation to each plan

or all plans. I understand that there is a 10-hour limitation to the debate on each plan.

Mr. WILEY. As I understand, 10 hours is the maximum length of time allowed to each side.

Mr. OVERTON. I should like to have the matter settled. I make a parliamentary inquiry, Mr. President. What is the limitation on debate in respect to the motion proposed by the Senator from Wisconsin?

The PRESIDING OFFICER. The Senator has not made any motion.

Mr. OVERTON. I refer to the motion which he proposes to make.

The PRESIDING OFFICER. The Senator from Wisconsin has not made any motion or proposal.

Mr. OVERTON. What is the limitation with respect to a motion to proceed to the consideration of a reorganization plan?

The PRESIDING OFFICER. After the motion has been agreed to, 5 hours is allowed on each side.

Mr. OVERTON. Is that with reference to each plan or all plans?

The PRESIDING OFFICER. Five hours is allowed each side, or a total of 10 hours on each plan.

Mr. WILEY. Mr. President, I invite the attention of the Senate to the fact that the act known as an act to provide for the reorganization of Government agencies, and for other purposes, was passed in 1945. I invite attention to the provision in that act under which the Senate and the House agreed that the purpose of the Reorganization Act was to reduce the number of agencies by consolidating those having similar functions, and—

Mr. BARKLEY. Mr. President, will the Senator yield to me in order that I may make a statement for the benefit of the Senate?

Mr. WILEY. I yield.

Mr. BARKLEY. I have been asked privately by Senators what is the program for the further procedure of the Senate. I have said that so far as I can control the situation, we will continue on into the evening and endeavor to dispose of the pending joint resolution. The sooner we dispose of it the sooner we can take up other legislative matters, including the one about which the Senator from Wisconsin is now speaking. I hope that Senators will agree to the program and remain in the Senate so that we may conclude consideration of the pending joint resolution.

Mr. RUSSELL. Mr. President, will the Senator from Wisconsin yield to me so that I may propound an inquiry to the Senator from Kentucky?

Mr. WILEY. I yield.

Mr. RUSSELL. I wonder if the Senator from Kentucky has given any thought to obtaining unanimous consent to vote by a certain hour on Monday next on the matter which the Senator from Wisconsin has in mind?

Mr. BARKLEY. The Senator is not going to bring it up now and is endeavoring to explain why. I will say further that a session of the Senate will be held tomorrow, regardless of what happens

with the OPA measure tonight. Even if we dispose of the measure tonight, we will hold a session tomorrow. There is plenty for the Senate to do.

Mr. WILEY. Mr. President, at the time I yielded to the distinguished majority leader I was inviting the attention of the Senate to the fact that the act which provides for a reorganization of Government agencies includes, as its objectives, the reduction of a number of agencies and the elimination of overlapping and duplication of effort. Subsection (c) of section 6 provides as follows:

It is the expectation of Congress that the transfers, consolidations, coordinations, and abolitions under this act shall accomplish an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies affected.

The House held extended hearings on the matter. There were three organization plans submitted. I shall not go into detail with reference to them.

Three resolutions were submitted in the House disapproving the plans because, it was said, they would not reduce the overhead expenses, nor the personnel. Instead, it was stated by one executive officer that they would increase the cost of government by some \$4,000,000. But, be that as it may, Mr. President, I personally feel that when the President of the United States submitted plans for reorganization, the presumption was that they contained merit. But when the other House, after extensive hearings, concluded that the plans did not follow the intent or the idea of the proposed legislation, the matter then came to the Judiciary Committee of the Senate. The Judiciary Committee held extensive hearings in this respect: One or two Members sat in at the sessions and considerable evidence was adduced. But there is practically no evidence which would in any way run contrary to the findings made by the other House.

Mr. President, as the Members of the Senate know, under the law which was enacted in 1945—and in my humble opinion it was very poor legislation—the Executive was given extraordinary power. Congress said, in effect, that if the two Houses did not act together or one disagreed with the other, the plan of the Executive would become law. The President not only possesses his constitutional veto, but Congress has created an additional veto upon its own legislative power.

What is more, it was provided in the act that if action is not taken within 60 days disavowing the act of the Executive, not by one but by both Houses of Congress, it would become law.

I invite the attention of the Senate to the fact that those 60 days will terminate on next Monday at midnight. All I have asked the majority leader to do is to agree to displace the pending joint resolution tomorrow and Monday so that the Senate can take up the matter about which I have been speaking. I have heard Senators condemn filibustering. What has been taking place? We are being filibustered out of our right to vote on these resolutions.

We have heard the distinguished Senator from Louisiana ask how much time

is to be allowed for debate. It was announced by the Chair that 10 hours was the maximum that could be used on each resolution. I believe that, no matter how Senators will vote upon the resolutions, in all common sense and decency they should permit these resolutions to be brought to the floor and to be voted upon. They should not allow the resolutions to go by default.

Mr. President, I appreciate the desire of the majority leader to complete as soon as possible consideration of the pending OPA joint resolution, and I do not for one moment underestimate the importance of it. I do not underestimate the importance of a situation wherein there might be no OPA of any kind. I have spoken on that subject before. The fact is completely obvious that, in view of the number of amendments which have been already proposed to the joint resolution—I was told this afternoon that there are still 15 not acted upon—it has been extensively amended. Therefore it seems to me perfectly reasonable and sensible to displace the OPA joint resolution and postpone its further consideration until next Tuesday. A print should be made of all the amendments which have been agreed to in connection with the joint resolution, and in the meantime we should dispose of these three resolutions. I have stated that I suggested to the majority leader that that be done. But nothing has been done.

A few days ago some very fine things were said about him, and I wish to say that I think never in the history of the Democratic Party has any man served so long and so faithfully, irrespective of his own convictions, the cause of his party, and no man has ever served better. That is an honest appraisal, by a Republican. I have marveled at his physical stamina; I have marveled at his ability to come out of a tired spell and answer the challenges. But in this particular instance I want to tell him I am not unaware of what he is attempting to do. When the show is over it will be very apparent, if he succeeds, that there will be no vote on these three resolutions.

Mr. BARKLEY. Mr. President, I resent that statement. I have told the Senator from Wisconsin a half a dozen times that all I am seeking to do is to have the pending legislation disposed of, and insofar as I am concerned, immediately upon its disposition, we can take up these resolutions and vote upon them. The sooner the Senator from Wisconsin will let us proceed with the pending legislation the sooner we can conclude it and get a vote on it and on the resolutions.

If the Senator means that I am deliberately seeking, by trying to conclude the pending legislation we have before us, to prevent a vote on these resolutions, there is not a word of truth in it, and I resent that implication coming from the Senator from Wisconsin or any other Senator.

Mr. WILEY. The Senator has a perfect right to resent anything I say. I do not want to get him aroused unduly,

because I would not like to see him have an apoplectic fit. I have seen him close to it several times, and I do not want such a thing to happen. I would not have it happen for the world. I love him as I love every other Senator who is doing a good job.

Mr. BARKLEY. Mr. President—

Mr. WILEY. Mr. President, I have the floor. I have not yielded to the Senator.

Mr. BARKLEY. I do not want to ask the Senator to yield.

Mr. WILEY. What I said was strictly in line with my talk with the distinguished Senator. He said to me, "After we get through with OPA you can have the floor." If after we get through with OPA it is 12 o'clock Monday evening, we will not have a chance to express our sentiments.

To confirm that, for 2 nights we were to have night sessions. Last night we adjourned for 2 hours, to get something to eat, and we came back expecting to run into the morning hours and clean this matter up. At 10:30 we were recessed. We did not follow through. At another night session before that, we did not follow through. At least I think the facts sustain my conclusion, and this is not said in an uncomplimentary manner; it is said to compliment "the general." Generals plan and execute, and the execution so far has been wonderful. We did not get to an amendment until 4 o'clock this afternoon, and I am informed that there are 15 more amendments. So, without meaning anything personal, I say the Senator is doing an extremely good job.

I pointed out yesterday that the President's reorganization plans will go into effect on Monday, July 15, 1946, if no action is taken by the Senate, or if action is taken sustaining the President's position. It will be most unfortunate that the reorganization plans should go into effect simply by default of the Senate; that is, its failure to take any action whatsoever.

My whole purpose tomorrow, then, immediately after we meet, is to call up these resolutions and ask Senators to vote, not their convictions on the plans, but to vote that the resolutions be taken up.

There is a difference, Mr. President. I talked to one Senator today on the other side, who said, "I will vote with you to take them up, but I will vote against the House resolutions." I said, "That is perfectly fair." All I want is a chance here. All I want is an opportunity for the Senate to voice its convictions for or against the resolutions in spite of the strangulation process which we legislators imposed upon ourselves.

I repeat, my whole purpose will be to call up each of these resolutions so that the Senate can take action one way or the other, so that they can be voted on in time. In view of these facts, I repeat that I am asking each Senator to give consideration to the matter, so that Senators will understand the issue tomorrow, and, when the Senate convenes, vote upon whether or not they are willing to set aside temporarily the OPA joint resolution and take these matters up, so that they can be considered.

Mr. President, I heard the suggestion that we wait until Monday. I heard the suggestion yesterday, when I was ready to make the motion, that we wait until today. Now the suggestion is to wait until tomorrow.

Monday, Senators will have a chance to vote upon only one of those resolutions. I am not a prophet or the son of a prophet, but I know many fine men who talk in this Chamber about the terrible thing known as filibuster. A Senator would not have to talk very long to put the resolutions out the window. At 12 o'clock Monday night Senators will have no voice in saying whether they want the reorganization plans to go into effect or not.

The distinguished majority leader said something about my talking. I do not think I have talked more than 15 minutes today. This is my first experience today, and yesterday I talked about 5 minutes. If there is any implication that I was trying to do any undue talking, I might resent that. But I do not resent it. I merely praise the Senator for his splendid ability, for his magnificent courage in fighting for his cause, and following his leader through thick and thin, taking orders, obeying and executing, whether he is appreciated or not, at the other end of the Avenue.

I say that with a sincerity that is deep down. He is a marvel to me, and nothing I have said should cause him to speak in terms of resentment of what I have said. What I have said has not been uttered with any other meaning than to demonstrate love and affection for him.

I call attention again to the fact that the time is running out, and I ask Senators to join with me in getting these resolutions in such position that Senators can say "Yes" or "No" on bringing them up. Then let their convictions determine which course they will follow in voting upon the resolutions themselves. Tomorrow when the Senate meets, I shall expect to be recognized, and I shall make a privileged motion.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of the Senator from Georgia [Mr. GEORGE], the Senator from Colorado [Mr. MILLIKIN], the Senator from North Carolina [Mr. HOEY], and myself, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to insert at the proper place in the joint resolution the following:

In establishing maximum prices for sales of finished woven fabrics made primarily of cotton fiber or for the sales of apparel made therefrom it shall be unlawful for the Administrator to establish or maintain differentials in the method of determining the basic grey goods cost or the finished woven fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

Mr. BARKLEY. Mr. President, the Senator from South Carolina and the Senator from North Carolina have conferred with me about this amendment, and, as it is in line with what the Administrator is attempting to do, I have no objection to it, and shall be glad to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina for himself and other Senators.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, there is a misprint in line 23 on page 7 of the joint resolution. The last word in the line is "minimum." It should be "maximum." I ask that that be corrected.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I offer an amendment on behalf of the Senator from South Carolina [Mr. MAYBANK] and myself, and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to insert in the joint resolution at the proper place a new section, as follows:

SEC. —. Subsection (a) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end of the subsection and inserting in lieu thereof the following: "Provided, That no maximum price shall be imposed on pulpwood in any State at a price less than 100 percent of the highest maximum price established for pulpwood derived from trees of the same genus in any other State, zone, or region, except that fair and equitable differentials may be established between peeled and rough pulpwood."

Mr. RUSSELL. Mr. President, I wish to make it perfectly clear that this is not a decontrol amendment. It does not decontrol the commodity of pulpwood, with which it deals. The purpose of the amendment is to correct what appears to me to be a very flagrant discrimination in the present price-control regulations. This discrimination, according to the Office of Price Administration, grows out of what they call the historical base under which they have fixed a differential on pulpwood of the same type, which ranges from \$9 in the Southeast to \$13.25 for the same kind of wood in the Northeast. Indeed the differential was even greater until recently, when the OPA allowed an increase of \$1.40 in the price of southern pulpwood.

Mr. President, the amendment has the endorsement of the American Farm Bureau Federation. I have in my hand a letter signed by the director of the Washington office, Mr. W. R. Ogg, from which I shall read a couple of paragraphs because I think it explains the justice of the amendment much more clearly and plainly than anything I might say. I read from the letter:

We would appreciate it if you would seek to get an amendment in the OPA extension bill to correct the discriminatory regional differential which OPA is now enforcing with respect to southern pulpwood. Under the OPA regulations the ceiling price of rough southern pine pulpwood is \$9 per cord delivered on board railroad cars throughout

most of the South, while ceiling prices for rough pine pulpwood range from \$11 to \$13.25 delivered on cars in the Northeastern and Lake States.

Southern and northern pine pulpwood are used in the manufacture of similar, and in many cases identical, products. We have been advised by the United States Forest Products Laboratory at Madison, Wis., that "high quality products are made from both northern and southern pine." We, therefore, can see no reason why official regulations should require that southern pine pulpwood be sold for less than the lowest price prevailing for pine pulpwood in other areas.

Due to increased cutting and hauling costs, present ceilings allow farmers almost no return for growing pulpwood. OPA's own figures show that southern farmers are now getting an average stumpage return (price of standing timber) of \$2.25 for growing pulpwood.

The Forest Service estimates that southern woodlands are producing pulpwood at an average rate of one-third to one-half cord per acre per year. This means that with stumpage at \$2.25 per cord the farmer is getting a return of only \$0.75 to \$1.12 per acre per year to cover property taxes, fire-protection costs, risk, interest on his investment, management and other expenses such as brushing out roads.

The inadequacy of this return is readily apparent when we analyze the costs of producing pulpwood.

On the basis of data supplied by W. S. Brown, director of the Georgia Extension Service, costs of growing pulpwood in Georgia are estimated to be as follows:

Interest at 5 percent on average land valuation of \$13 per acre—

I wish to call attention to the very low valuation that is put on this timberland. That interest would be 65 cents a year.

Fire protection, 6 cents.

Taxes, 10 cents.

Total with no allowance for risk, fire, or management of the forests, 81 cents per acre.

It is estimated that the annual growth of pulpwood, at 0.4 a cord per acre, would allow the forest farmer, over and above his actual costs, only 9 cents a year per acre for management and risk.

It seems to me, Mr. President, that this discrimination is so manifest that whatever be its cause, be it historical or otherwise, it should be corrected in this measure. When legislation is pending which provides for wage-and-hour legislation, there are times when those of us from the Southeastern States are criticized if we scrutinize it with more care than do Senators from other sections. This is one of the reasons why that is true. It is illustrated very clearly by this amendment, whereby it is apparent that merely because these trees have been produced in the South, they bring under OPA regulations \$3.25 a cord less than do those produced in the more favored States.

I, of course, want to see the people of my State get just as good wages and have just as high income as those of any other State in the Union. That cannot come about until we are admitted to the Union on the basis of full equality, and can sell our commodities, when they are equal in quality, for the same price they bring when produced in other sections of the country.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHERRY. Does the discriminatory condition which exists result from the fact that the ceiling price was established on the former basis on which pulpwood in the South was sold?

Mr. RUSSELL. That is what I have been advised by the Office of Price Administration. The amendment does not raise the price of pulpwood. It merely raises the ceiling. I do not understand that it will increase the price of pulpwood now. But we do not want the price held down by Government regulation.

Mr. WHERRY. Because of the increased costs that have occurred since the ceiling was established, probably in labor and other directions, what the Senator is now attempting to do is to establish a ceiling price which is equitable, which is in line with the price in other localities and other districts, and which will permit the pulpwood operators to operate at a profit instead of at a loss?

Mr. RUSSELL. The Senator from Nebraska has explained the situation completely. The amendment provides that there shall be no difference in the price ceiling with respect to trees of the same genus, of the same kind, in any State of the United States. The amendment will be somewhat helpful to the great State of Wisconsin, because it happens that they have a level of 75 cents or \$1 a cord less than is allowed in some other States. I have no guaranty that the wood will sell for the ceiling, but the grower or farmer should not be denied by Federal regulation the opportunity to sell his wood of equal quality on a basis competitive with other areas. I cannot see how in simple justice anyone could oppose the amendment.

Mr. BARKLEY. Before the Senate votes on the amendment I think that a brief statement should be made with reference to it.

A uniform Nation-wide ceiling price for pulpwood does not take into account the differences in cost of production in the various regions of the country.

The present OPA differentials simply recognize the differentials which existed in the prices of pulpwood long before the imposition of ceiling prices, and long before the Stabilization Act and the Price Control Act were passed. It is not true that OPA prices were set at a prewar level; rather they were set at the March 1943 level, which was nearly 2 years after the beginning of price control. Before the ceiling prices were fixed OPA made a study of the industry; this study showed variations in pricing by regions. In all cases an attempt was made to write regulations which conformed to the practices and the historical pattern of the industry.

Neither southern or northern pine nor southern or northern hardwood are comparable as raw materials for pulp manufacturers.

There is no hardship under pricing. Pulpwood growers in the South are now receiving higher stumpage returns than at any time in the past decade. That is before price ceilings were imposed.

Production has been good. Pulpwood receipts in the South have have increased from 6,400,000 cords in 1941 to 7,148,000 cords in 1945, a particularly impressive record in view of the many alternative

opportunities for employment which were available.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. RUSSELL. I might say that I have been informed by a number of individuals that the production of pulpwood has fallen off tremendously since the German prison labor has not been available. I regret that the distinguished Senator from North Carolina is not at the moment on the floor. He told me about a man in his State who, within the past 2 months, had had to stop production of pulpwood because of the fact that the return did not enable him to pay present labor costs.

Mr. BARKLEY. These are official figures, as I understand, of the amount of production in 1941 as compared with 1945. I do not know what part German prison labor may have played in them, but they are the figures.

The adoption of such drastic flat pricing on a national basis would probably force major revisions in the ceiling prices not only of pulpwood but of other products dependent on the pine forest of the South, including such finished products as kraft paper and paperboard, paper power poles, building lumber, and so forth.

It might also be stated in this connection that in the South all pulp is made of 90 percent of pine timber, and in the North it is made of only 4 percent pine timber. So that when we consider the interchangeability of pine and hardwood for pulpwood purposes there is not only a historical difference between the pricing in the past, but there is a historical difference in the proportion of pine and hardwood that goes into pulpwood for the use of American industry.

So far as I am concerned the Senate can do what it pleases with the amendment. It is not a decontrol amendment, that is true, but it does require a uniformity of prices that never existed in the industry prior to price control. If the Senate thinks that the Government ought to say that, notwithstanding the fact that there has never been any uniformity in pricing, there ought now to be, the Senate can do so.

Furthermore it should be stated that the growth of a tree in the South out of which pulp is made is more rapid than the growth of such a tree in the North. That contributes to the increase in the output per acre, or any other unit of production. That is an element which has probably justified some differential in the past in regard to the prices of pulpwood.

Mr. President, I submit these facts to the Senate. The Senate can take such action as it sees fit to take.

Mr. TAFT. Mr. President, I do not understand how we can begin to price goods by amendments. It seems to me bad enough to consider commodities one by one on the question of decontrol; but if we begin to lay down prices in the case of every commodity I do not see where we can stop. I do not understand why we should interfere in the question of a particular price.

Mr. BARKLEY. I am very happy to have the Senator from Ohio admit his mistakes in that regard up to this time.

Mr. TAFT. If we consider commodities one by one we can go on forever. I have tried to induce the Senator to lay down some formulas with respect to pricing, but I cannot see how we can undertake to price each commodity.

Mr. RUSSELL. Mr. President, this amendment does not undertake to set a price. It merely relates to the price ceiling which may be imposed.

I do not agree with the statement which was read by the Senator from Kentucky. I know that it was prepared in the Office of Price Administration. That is the argument which has been used against the efforts which have been made to secure parity and justice for the producers of pulpwood in the Southeastern States. But certainly, Mr. President, the fact that our people were so unfortunate that they could be exploited with each for years before the Price Administration came into being is no reason for the Senate now to condone that exploitation by operation of law.

This amendment would not require anyone to pay an equal price for any commodity. It merely provides that the price ceiling must be the same throughout the United States on the same type of wood. It provides that the prices of wood in one section of the country shall not be held below the level of prices in other sections of the country because of a historical base which has kept producers in the Southeast in a state of poverty and exploitation for the past 80 years. This amendment would not compel anyone to pay a higher price for the woods. It merely provides that the price level for southern pulp may not be held at \$3.50 a cord below the price in other sections. It does not require the great paper mills to pay any more for the wood. They will not do it. They have a pretty close combination. I have no assurance that this amendment would result in an increase in the price of wood. I hope it may. The gigantic mills are few in number and have always managed to pay about the same amount for paper pulp throughout the Southeastern States. In order to obtain the wood they may not have to pay the new ceiling. But certainly it is unjust to say that those prices should be held down by regulation to their historical base, merely because the producers were not receiving full value in the years gone by.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. AUSTIN. Can the Senator tell me whether the Southeast has been producing pulpwood for many years?

Mr. RUSSELL. No; it has not. The first mill was established in my State not many years ago. Our people had no knowledge of the value of wood. They had been selling it as cordwood to burn, at a very low cost or as lumber. When the mills moved in, small farmers sold the wood at practically what they were offered.

Mr. AUSTIN. Is it true that the Southeast found a new use for an old product which was never expected to produce pulpwood?

Mr. RUSSELL. That is very true. That was the result of experiments by a Georgia chemist, Dr. Charles A. Hurty, one of the country's greatest scientists. He believed that paper could be made from southern pine. People scoffed at him, but he demonstrated it beyond peradventure. I wish to pay tribute to the Chemical Foundation, an eastern philanthropic organization. I know of my own knowledge that it put up part of the money to enable Dr. Hurty to conduct his experiments. As Governor of Georgia, I also secured an appropriation from the Legislature for that purpose.

Mr. AUSTIN. There are practically endless possibilities in the Southeast with respect to this particular wood, are there not?

Mr. RUSSELL. If the forests are properly protected, tremendous quantities of it can be grown.

Mr. AUSTIN. Is it the purpose of the amendment of the Senator to place a level, horizontal price on all kinds of woods which are suitable for paper pulp?

Mr. RUSSELL. Oh, no. The amendment says "trees of the same genus."

Mr. AUSTIN. How would the Senator define that term? For example, would he call trees of the Southeast which have recently been applied to this use trees of the same genus as those which have been used for pulpwood in the Northwest for many years?

Mr. RUSSELL. I must confess that I am not enough of a forest expert to answer the question.

Mr. AUSTIN. That is one of the problems.

Mr. RUSSELL. I am not enough of a forest expert to know just what trees belong to each genus. I have never had an opportunity to study forestry in detail, and I could not answer the Senator's question.

Mr. AUSTIN. That is one of the questions which is in my mind in respect to the Senator's amendment.

Mr. RUSSELL. Of course, the Senator realizes that this amendment would not arbitrarily increase the price of pulpwood. If our pulpwood is not worth as much as wood in other sections of the country, of course the mills will not pay as much for it. But undoubtedly it is worth more than the producers have been receiving for it in the past. I do not believe that anyone can justify the differential which has existed.

A great deal of the wood in the northeast goes into the manufacture of kraft paper, which is the principal product of our mills. Kraft paper made from expensive wood does not make any better containers or sell for any more than kraft paper made from cheaper wood. In the State which the distinguished Senator has represented so ably in this body for many years there are some trees from which an unusually fine quality of paper can be made. I have heard paper experts say, for example, that Hammermill bond paper is worth more than \$150 a ton when it is finished, as compared with much less for the average kraft paper.

Mr. AUSTIN. Is there anything in the Senator's amendment which would have the effect of placing a floor under prices and holding the price of an inferior com-

modity up to the same level as that of a superior commodity?

Mr. RUSSELL. There is nothing whatever in the nature of a floor in this amendment. It merely relates to ceilings which are imposed by the Office of Price Administration.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Gurney	Myers
Austin	Hart	O'Daniel
Ball	Hawkes	O'Mahoney
Barkley	Hayden	Overton
Brewster	Hill	Pepper
Bridges	Hoev	Radcliffe
Briggs	Huffman	Reed
Brooks	Johnson, Colo.	Revercomb
Buck	Johnston, S. C.	Robertson
Burch	Kilgore	Russell
Bushfield	Knowland	Smith
Capehart	La Follette	Stanfill
Capper	Langer	Stewart
Carville	Lucas	Swift
Chavez	McCarran	Taft
Cordon	McClellan	Taylor
Donnell	McKellar	Thomas, Utah
Downey	McMahon	Tobey
Eastland	Magnuson	Tunnell
Ferguson	Mead	Wagner
Fulbright	Millikin	Walsh
George	Mitchell	Wherry
Gerry	Moore	White
Gossett	Morse	Wiley
Green	Murdock	Wilson
Guffey	Murray	Young

The PRESIDING OFFICER. Seventy-eight Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia.

The amendment was agreed to.

Mr. MURDOCK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 20, in line 21, it is proposed to strike out the period and insert a colon and the following: "Provided, That the Commodity Credit Corporation or any other Government agency shall not absorb any increases in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946."

Mr. MURDOCK. Mr. President, the joint resolution contains certain language dealing with the Commodity Credit Corporation and its subsidizing of the importation of sugar from offshore. There has been some difficulty between the domestic sugar industry and the Commodity Credit Corporation as to the limitation on the amount which may be used for this purpose. The Commodity Credit Corporation and the domestic industry have agreed upon this limitation. The amendment is sponsored by the Commodity Credit Corporation, and is sent here by it, after agreeing with the sugar industry in the United States. I have submitted the amendment to the Senator from Ohio [Mr.

TAFT] and the Senator from Colorado [Mr. MILLIKIN], on the Republican side of the aisle. I have submitted it to the majority leader on this side of the aisle. It has nothing whatever to do with de-control or control, but it does place a limit on the amount per pound which may be used by the Commodity Credit Corporation for this purpose.

I know of no objection to the amendment, and I ask that it be agreed to.

Mr. OVERTON. Let me inquire what the limit is?

Mr. MURDOCK. The limit is 3.675 cents per pound. I say to my friend the Senator from Louisiana that I understand that the cane-sugar producers and the beet-sugar producers and the Commodity Credit Corporation have all agreed on this amendment. It is a limit on the amount per pound which can be used by the Commodity Credit Corporation in connection with bringing in off-shore sugar.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. REVERCOMB. I wish to make sure that I correctly understand the Senator's amendment. Does it place a limit upon the price which the Commodity Credit Corporation may pay for Cuban sugar?

Mr. MURDOCK. That is correct. Under the language of the joint resolution, as now written, there is no limit on the price per pound which the Commodity Credit Corporation may expend for the subsidizing of the off-shore sugar which is imported. We all know of the extreme necessity for the importation of such sugar. But it was thought by the domestic-sugar industry that some limitation should be placed upon the Commodity Credit Corporation. The domestic industry has agreed with the Commodity Credit Corporation. The Commodity Credit Corporation is agreeable, and this amendment is the result of their agreement.

Mr. REVERCOMB. Mr. President, with the Senator further yield?

Mr. MURDOCK. I yield.

Mr. REVERCOMB. Of course, the Senator is aware that the Secretary of Agriculture is now in Cuba, and perhaps he may be there on the subject of the purchase of sugar. We are told that we have a shortage of sugar. It is still being rationed. It is the only article of foodstuffs of which I know that is being rationed today. As I understand, one of the difficulties in obtaining sugar is the bidding against other countries on the purchase price. I say to the Senator that I wish to protect the sugar which is grown in this country just as much as the Senator does; but if we place a limit on the price of sugar per pound, I wonder whether we thereby tie the hands of the Commodity Credit Corporation in connection with the purchase of sugar for this country.

Mr. MURDOCK. I was assured by the officials of the Commodity Credit Corporation who were up here yesterday, and it was one of them who gave me the amendment to present, that it is amply sufficient to take care of the job, and they have no objection whatever to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. MURDOCK].

The amendment was agreed to.

UNITED STATES EMPLOYMENT SERVICE

Mr. MORSE. Mr. President, earlier in the day the Senator from Minnesota [Mr. BALL] presented a conference report involving the United States Employment Service. I have some very brief comments which I desire to make. I understand that the conference report was agreed to, but, nevertheless, I believe that the RECORD should contain certain observations concerning the Employment Service of the Federal Government.

The failure of the conference report to include provisions assuring operations of public employment offices, as provided for by this body in the Senate amendment to House bill 4437, comes as a bitter disappointment. It demonstrates again how unsatisfactory is the effort to introduce substantive legislation in an appropriation bill.

I recognize that substantial authority is vested in the Federal Government in the Wagner-Peyser Act of 1933, the basic legislation establishing a Nation-wide network of public employment offices. However, since the enactment of the Wagner-Peyser Act this country and the public Employment Service have experienced the sharpest extremes in economic conditions and activities. For almost a decade widespread unemployment prevailed throughout this country. This was followed by a period of critical shortages and wartime labor-market controls.

More recently the Federal Government has rightly accepted additional responsibilities with respect to the returning veteran. These responsibilities are set forth in the Servicemen's Readjustment Act of 1944. I wish specifically to call the attention of this body to title IV of that act, in which it is stated that the "Congress declares as its intent and purpose that there shall be an effective job-counseling and employment-placement service for veterans, and that to this end policies shall be promulgated and administered so as to provide for them the maximum of job opportunity in the field of gainful employment." The act provides that within the United States Employment Service there shall be a Veterans' Employment Service, and that the local employment offices shall carry out the provisions of the act and make effective the congressional intent.

Among the duties assigned to the United States Employment Service by this act are: (a) to register veterans in local employment offices for suitable types of employment and for placement of veterans in employment; (b) assist in securing and maintaining current information as to various types of available employment in public works and private industry or business; (c) promote the interest of employers in employing veterans; (d) maintain regular contact with employers and veterans organizations with a view to keeping employers advised of veterans available for employment and keeping veterans advised of opportunities for employment; and (e) assist in

every possible way in improving working conditions and the advancement of employment of veterans.

It must be clear to all of us that the adoption of the conference report in no way sets aside these obligations. Obviously, the Federal Government, if it is to carry out its responsibilities, must take full account of the obligations it has assumed in both the Wagner-Peyser Act of 1933, and the Servicemen's Readjustment Act of 1944.

There is inherent in the provisions of the Wagner-Peyser Act adequate authority for the Federal Government to carry out its responsibilities with respect to the functioning and operation of the public employment offices. It is nevertheless administratively cumbersome to comprehend within the framework of existing legislation 13 years of experience covering the whole range of economic conditions, as is necessary to meet our obligations to American workers, of whom 15,000,000 are veterans. For this reason, I have been most desirous to amend the Wagner-Peyser Act through substantive legislation. I had hoped that the action of the Senate in amending House bill 4437 would receive favorable consideration by the other House.

Over the past several months I have given much attention to the underlying principles and objectives of a sound system of public employment exchanges in this country. I am satisfied the public employment exchanges are basic community institutions whose influence reaches far beyond what is apparent from superficial examination. It is to the public employment exchanges that our workers and employers, our schools and other community groups must look for guidance and assistance in maximizing employment and assuring employment continuity. In our present-day economy it is both uneconomical and undesirable that a worker should have to pound the pavement going from one employer to another in search of a job, or that an employer must rely upon only that segment of the labor supply which comes to his gates. The employment exchange, therefore, performs a necessary function, since job security is fundamental to our way of life.

I want to emphasize to this body that the system of public employment offices which exists today is a far cry from the service that was established to facilitate the referral of unemployed workers to relief and public works projects during the great depression of the thirties. It is also far different from the service that was subordinated to the State unemployment compensation systems when benefit payments began in many States in 1938. The public Employment Service we have today has come of age, matured by experience under widely varying economic conditions and tested in the crucible of wartime pressures.

Today there are 1,760 local employment offices from coast to coast, each of which is a central institution in the community. These offices are staffed by 26,000 public servants who are trained and experienced in employment service methods and practices to assure that the right worker and the right job are brought to-

gether promptly. Behind these offices and staff lies a rich experience which has seen the development of a well defined and comprehensive program of service to workers, employers, and the community. Not only has the Government, but private enterprise as well, benefited from such things as the analysis and definitions of over 30,000 occupations found in American industry; the development of effective tools for the selection and assignment of workers; and the availability of labor-market information setting forth employment and unemployment trends, job opportunities, hiring practices, and specifications.

I take great pride, both as a citizen of the United States and of Oregon, in the kind of Employment Service the Federal Government is about to transfer to State administration under Federal-State relations. There is no doubt that if it is properly administered by the States, and the State systems can be properly coordinated by the Federal Government into a Nation-wide network of public employment services, the public employment Service will be thoroughly competent to carry out the postwar policies and objectives of this country as they relate to employment security of our people.

It took a Pearl Harbor to awaken America to the recognition that a strong system of public employment offices, national in scope, is fundamental to the Nation's welfare, despite the fact that the concept of the Wagner-Peyser Act of 1933 was a system national in scope to be achieved through State operations of local offices and Federal-State cooperation in the over-all programs. Without the local offices coordinated into a Nation-wide network, our manpower resources necessary for war production could not have been mobilized. The United States alone, of all countries of the world, was able to achieve the miracles of production without having to resort to the drafting of its civilian labor force.

During the years of Federal operation of the Employment Service there has been developed a program of community participation, of local management-labor cooperation unparalleled in this country. The amazing flexibility of the public employment office system to shift operations and procedures to wartime needs made this achievement possible. The employment offices had to rely upon moral suasion, backed up by knowledge of labor requirements and sources of labor supply, to channel workers from less essential to more essential war activities. Not only did the Employment Service fulfill its obligations with respect to providing the necessary manpower for war production, but it provided much of the information needed by production and procurement agencies to carry out their programs.

No instrument of Government is comparable to the Employment Service in the way its facilities and activities are rooted in local communities. The United States Employment Service has been successful in coordinating the activities of these community institutions, and in establishing basic procedures and operations so that we have truly a Nation-

wide network of public employment offices. During the years of Federal operation the Employment Service has acquired a vast knowledge of industrial processes, of occupational skills and requirements, of employment opportunities, and employer practices, which will stand it in good stead for years to come under State administration.

What has been accomplished under Federal operation represents a signal achievement. No fraction of this advancement of the Employment Service should be lost inadvertently or otherwise in the transfer of operations to the States. Five years ago the existence of a public employment office in the community was relatively unknown, except to persons who had been on relief or who had been receiving unemployment compensation benefits. Today, in sharp contrast, public employment offices have status, prestige, and public recognition in every community in which they are located. They have become the focal point for job placement service; for sound employment counseling of job seekers, especially veterans; for labor market information regarding employment trends and job opportunities. Employers, labor organizations, and community groups look to the employment offices for information and assistance with respect to community programs to facilitate employment of the citizens of the community.

The Employment Service, in reconverting itself from war to peacetime operations, has formulated its program to meet the needs of a peacetime free labor market. During the past 8 months this country has witnessed greater instability in labor-market conditions than has ever previously existed. In the face of the displacement of millions of war workers and the necessity for absorbing into civilian life millions of returning service men and women, this country has emerged with a higher level of employment than prevailed even during the war years. When we take into account the widespread uncertainties of price and wage relations, the frequent occurrence of labor disputes, the vast migration of workers from one section of the country to another, I am sure that we all agree that the American people have once again displayed an amazing capacity to adjust to changing conditions. The activities of the public employment offices have contributed in no small measure to these achievements. The Employment Service can well be proud of the vital role it has played.

During the past 8 months the employment offices, each month, have been called upon for service and assistance by well over half of the returning servicemen. The Employment Service has seen the total number of service calls upon it rise from less than 5,000,000 per month to 14,000,000. Employment counseling of veterans has risen from 58,000 per month to approximately 130,000. At the same time, the employment offices have given yeoman service to the State unemployment compensation agencies in meeting emergency loads of millions of unemployment compensation claims.

The peacetime program of the United States Employment Service is a sound one, without regard to whether public

employment offices are operated under Federal or Federal-State administration. This program consists of six coordinated functions which are the minimum requisites of a sound public employment service:

First. An effective placement service facilitates the employment and reemployment of returning servicemen and women, displaced former war workers, youths entering the labor market, disabled veterans and other handicapped workers, old workers, women, and all other persons seeking jobs.

Second. Workers are assisted through employment counseling to determine their present or potential occupational abilities and interests in the light of realistic information about job requirements and employment opportunities.

Third. Special services to veterans includes employment counseling and preferential service by the local offices, as well as priority of referral to any job for which they are qualified.

Fourth. Employers and labor organizations through personnel management services may receive assistance in the use of personnel tools and techniques which have been developed by the Employment Service for effective selection, assignment, and transfer of workers.

Fifth. Labor-market analysis and information of the Employment Service is widely used by workers for choosing among various employment opportunities or planning their vocational careers; by employers in locating plants or in scheduling production to best utilize available labor resources; and by training authorities and community groups and other agencies whose programs are affected by manpower considerations.

Sixth. In its cooperation with community organizations and Government agencies, the Employment Service participates in activities and programs for increasing economic activity and maintaining high levels of stabilized employment.

It must be clearly understood that the Employment Service that is now being transferred to State operation is not the Employment Service of prewar years, nor should its program be subordinated to State unemployment-compensation programs as it was in former years. Surely we recognize that the first objective and responsibility to a worker seeking employment is to find him a job, and only the failure to obtain suitable employment can justify the payment of unemployment benefits. Any activity which detracts from the Employment Service carrying out its responsibility to assist job seekers in finding suitable employment seriously undermines the kind of employment exchange this country must have. I wish to state again that this method of handling a problem of this importance as a part of an appropriation bill can only be regarded as a temporary expediency. We are still confronted with the necessity of providing permanent substantive legislation which will guarantee that we shall have a public Employment Service which will continue to grow in strength and in the vital role it plays in our national economy.

I close, Mr. President, by making two additional points. I fear that time will prove that the Congress of the United States has not served the country well in the manner in which it has disposed of the Employment Service of the Federal Government. I think time will prove that it was most unfortunate that the conference report as finally adopted by the Congress did not include the guaranty-of-operation clause, because, as I said on another occasion in discussing this question, I do not think we can ever get away from the fact that, after all, the problem of employment and the problem of unemployment is not a Federal problem alone, not a State problem alone, but a combined Federal-State problem.

I think this is one of the social and economic problems which should be handled by the State and Federal Governments working in cooperation. I do not believe the conference report which was adopted by the Senate today is so framed and phrased as to allow for the maximum of cooperation which should exist in the operation of a Federal-State plan.

So, Mr. President, I hope that the Senate will continue to scrutinize very carefully employment and unemployment problems as they arise in the months ahead and if it should come to pass that any State fails to live up to its obligations to the veterans, and to the other workers, in seeing to it that they are supplied with an adequate employment service, then I submit that there is an obligation resting upon the Congress to see to it that necessary Federal steps are taken to place in the States Federal employment services which will guarantee to those citizens at least the right to an opportunity for a service which will help them find jobs, because although we may now go into a period of prosperity, with a high degree of employment, I think we all know that that time will run its course, and sooner or later large numbers of American workers will be confronted with the task of finding jobs in order to meet an unemployment situation which will develop the moment the period of boom has passed.

Hence, I venture to predict, that the action we took today does not resolve the problem permanently. The obligation still rests upon the Congress to continue to work cooperatively with State governments in seeing to it that there is worked out an adequate Federal-State cooperative employment service for all our citizens as one of the best guarantees and checks against the danger of a depression with its accompanying mass unemployment.

Mr. TUNNELL. Mr. President, I wish to say a few words with reference to the unemployment situation in the United States.

I have listened with great interest and appreciation to the remarks of our brilliant colleague from the State of Oregon. I wish to express my complete agreement and approval of everything he has said.

As chairman of the subcommittee of the Committee on Education and Labor, I have spent months in reviewing the activities and the functions of the public employment service, and have come to

a definite conclusion as to the type of service we need in this country. It is my personal conviction that ultimately we must have a system of public employment exchanges which will be operated and administered by the Federal Government, so that workers and employers, without regard to the State in which they happen to be located, may be assured of adequate public employment services. Nevertheless, in face of widespread misunderstanding of the relationship of the Employment Service and the unemployment-compensation programs, I have found it necessary to sponsor amendments to H. R. 4437. It seemed to me that this bill as amended by the Senate might provide the most practical means of assuring the continuation of an adequate system of public-employment offices in the immediate future.

Much of this misunderstanding and confusion has arisen out of a constant reiteration of the statement that the activities of the employment offices are inextricably interwoven with the State unemployment compensation agencies. These assertions are wholly unfounded in fact. Because of this mistaken notion, it is not sufficient to provide merely for the continued service of trained and experienced personnel in the public employment offices. We must go further. We must assure that the quality of service and the effective methods and operating procedures, as well as the program of the public employment service, is not given a secondary role to the unemployment compensation program.

No one can review the history of the Employment Service without coming to the conclusion that relationship of the Employment Service to unemployment compensation in the past was determined by the accident of events and the lack of understanding and experience in operating either program.

It will be recalled that early in 1938 many States began the payment of unemployment-compensation benefits. This was a period of widespread unemployment and there was great need for expanding the number of local employment offices to register unemployed workers. Because unemployed workers were required to register at public employment offices, the Social Security Board interpreted the provisions of the Social Security Act as enabling it to provide funds for establishing additional public employment offices. It is axiomatic that he who controls the purse determines the manner in which the funds shall be expended. Thus, it was not surprising that the public employment offices became an appendage to the State unemployment-compensation agencies and their identity as employment exchanges frequently lost. This experience resulted in a serious distortion of public policy.

The administration of vast unemployment-compensation funds overshadowed the obligation of the public employment service to facilitate the finding of suitable employment for millions of workers. The dollar payments must never take precedence over finding satisfactory employment for job seekers.

There is a very sharp distinction between the functions and activities with

which a State unemployment compensation agency is concerned and those of a public-employment exchange. The unemployment compensation agency, by its very nature, is primarily concerned with the collection of pay-roll contributions, the maintenance of wage records, and the determination and the payment of benefits to unemployed workers out of accumulated funds. Most of these unemployment-compensation activities in no way involve a personal relationship to the unemployed worker or the employer. In contrast, the essential characteristic of the public employment exchange is that it is concerned with human relationships in dealing with workers, employers, and local community groups. It renders services impartially to everyone. In many respects it resembles public schools or other agencies whose funds are derived from general revenues and whose activities are service in character and involve no coercion or policing authority.

Of course, it was wise to provide that claimants for unemployment compensation benefits should register at public employment offices. This procedure assures that claimants for unemployment compensation benefits are actively seeking employment and that they will be promptly referred to job openings for which they are qualified. However, notification that a claimant has refused to accept referral to a job is an incidental service rendered by the employment office to the State unemployment compensation agency. This incidental service must not be allowed to warp the basic program and activities of the public employment services.

The Senator from Oregon [Mr. MORSE] has ably recounted the nature of the Employment Service program and activities. It should be apparent to everyone that this program is one of rendering services equitably to all workers and employers and community groups without reference to whether or not they are subject to State unemployment compensation laws. The determination as to whether a worker is qualified for benefits or shall be denied benefits belongs exclusively to the State unemployment compensation agencies. The service to be rendered by public employment offices must not be limited by any consideration as to whether an employer has been delinquent in paying his contributions to an unemployment compensation fund or whether or not a worker is qualified for benefits or shall be denied benefits.

We must not be guided by our past mistakes and errors. Instead, we must assure that a sound public employment service system shall exist under State administration. This requires taking full advantage of the experience and knowledge which we have acquired since the enactment of the Wagner-Peyser Act, and adequately providing for carrying out the added responsibilities set forth in the Servicemen's Readjustment Act of 1944.

I agree with the Senator from Oregon that failure at this time to provide appropriate substantive legislation to take account of this experience will give rise to many administrative complica-

tions. When this legislation is written we must recognize that the Employment Service has specific responsibilities that are different from and broader in scope than those of the State unemployment compensation agencies.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. RADCLIFFE. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 25 in section 6 (b), line 17, after the word "industry", it is proposed to add the words, in parentheses, "(including any industry furnishing service or transportation the charges for which are now subject to the Administrator's control.)"

Mr. RADCLIFFE. Mr. President, paragraph (b) of section 6, page 25, requires that maximum prices shall include the average dollar price of such product during a base period, plus the average increase in cost of producing, manufacturing, and processing accruing during the base period. It seems to me a provision should be added covering costs of servicing and transportation, because such items are just as much a cost of production as the other elements or factors of manufacturing and processing referred in the language which I seek to amend. My suggestion is in accordance with the theory of that language.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. BARKLEY. The Senator has submitted the amendment to me. It includes certain services in addition to the production of commodities. I am not certain in my own mind how well it fits in, but I am perfectly willing to take it to conference if the Senator desires to have that done. The Senator will probably be one of the conferees, and we can work it out.

Mr. RADCLIFFE. I thank the Senator from Kentucky. I believe my amendment is a reasonable method of rounding out the amendment which the Senator from Kentucky submitted in the Banking and Currency Committee and therefore really improves it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. RADCLIFFE].

The amendment was agreed to.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MITCHELL in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Briggs	Capehart
Austin	Brooks	Capper
Ball	Buck	Carville
Barkley	Burch	Chavez
Brewster	Bushfield	Cordon
Bridges	Byrd	Donnell

Downey	Kilgore	Pepper
Eastland	Knowland	Revercomb
Ferguson	La Follette	Robertson
Fulbright	McCarran	Russell
George	McClellan	Smith
Gerry	McKellar	Stanfill
Gossett	McMahon	Stewart
Green	Magnuson	Swift
Guffey	Millikin	Taft
Gurney	Mitchell	Taylor
Hart	Moore	Thomas, Okla.
Hawkes	Morse	Thomas, Utah
Hayden	Murdock	Tunnell
Hill	Murray	Wagner
Hoe	Myers	Wherry
Huffman	O'Daniel	White
Johnson, Colo.	O'Mahoney	Wilson
Johnston, S. C.	Overton	Young

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Seventy-two Senators have answered to their names. A quorum is present.

The joint resolution is open to further amendment.

Mr. ROBERTSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated. Before the clerk reads the amendment, I ask unanimous consent to modify it.

The PRESIDING OFFICER. Unanimous consent is not necessary. The Senator has the right to modify his amendment.

Mr. ROBERTSON. I ask that the amendment as modified be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming will be stated.

The CHIEF CLERK. It is proposed to strike out all after the resolving clause and insert in lieu thereof the following:

That the provisions of the Emergency Price Control Act of 1942, as amended, and all regulations, orders, price schedules, and requirements thereunder, are hereby revived and reenacted with respect to the establishment and maintenance of maximum rents, and shall continue in effect until June 30, 1947, or until the date of a proclamation by the President, or the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted herein is not necessary in the interest of the national defense and security, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such date, the provisions of such act, as extended, and such regulations, orders, price schedules, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

SEC. 2. (a) (1) The provisions of this joint resolution shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, with respect to the establishment and maintenance of maximum rents which were in effect on June 30, 1946, shall be, in effect in the same manner and to the same extent as if this joint resolution had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, on June 30, 1946, with respect to the establishment and maintenance of maximum rents shall be proceeded with and shall be acted on in the same manner and to the same extent as if this joint resolution had been enacted on June 30, 1946.

(b) In any case in which such act or any regulation, order, or requirement thereunder prescribes any period of time within which any act is required or permitted to be done with respect to the establishment and maintenance of maximum rents, and such period had commenced but had not expired on June

30, 1946, such period of time is hereby extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this joint resolution, both inclusive.

(c) No act or transaction with respect to the establishment and maintenance of maximum rents occurring subsequent to June 30, 1946, and prior to the date of enactment of this joint resolution shall be deemed to be a violation of such act or of any regulation, order, price schedule, or requirement thereunder.

SEC. 3. Whenever any State has heretofore or may hereafter establish provisions for the control and regulation of the rent of housing accommodations within its boundaries and the Governor notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended, and no regulations, orders, or requirements thereunder (except as to offenses committed prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall be applicable within such State.

It is also proposed to amend the title so as to read: "Joint resolution extending the effective period of the Emergency Price Control Act of 1942, as amended, with respect to the establishment and maintenance of maximum rents until June 30, 1947."

Mr. WAGNER. Mr. President, will the Senator explain the amendment?

Mr. ROBERTSON. I am about to do so.

Mr. President, this amendment revives the OPA insofar as the control of rent is concerned. It eliminates everything else except rent control. The modification which I have added to the amendment is similar to the amendment submitted by the Senator from California [Mr. KNOWLAND] in conjunction with the Senator from Michigan [Mr. FERGUSON], which was adopted.

Mr. President, this amendment approaches the OPA from the point of view that today there is no price control in existence. It seeks to revive price control and to place a maximum control on rents. The amendment does not provide for decontrol, because I feel that one cannot decontrol something which is not in existence today. The purpose of keeping rent control is to prevent hardships to veterans and others in finding homes. It is almost impossible for veterans and others to build new homes, on account of the restrictions which have been placed on all building materials by the OPA. Since the OPA terminated on June 30, the extravagant claims of great advances in prices which were put forward by Mr. Bowles and his associates have not matured. The claims of price advances which have been stated in the newspapers are not only misleading, but they are entirely untruthful. I wish to call the attention of the Senate to a statement which appeared in the Washington Star of yesterday, July 11, 1946. I am glad to see that this statement is not issued by the Associated Press or the United Press or the International News Service, because I have found that those services are uniformly fair and truthful, and they endeavor to release only news that is news, and is correct news.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. WHERRY. In keeping with what the distinguished Senator from Wyoming has just said, with which I am in total agreement, let me say that there are those who are taking advantage of every isolated case of skyrocketing prices. Many newspapers are coloring the news in an attempt to strike fear into the hearts of Members of Congress who are about to vote on these important issues.

However, in today's issue of the New York Times there is a full-page advertisement which should be the answer to some of these fear peddlers and calamity howlers who have been giving their views to the people of America. The advertisements states:

White shirts below OPA ceiling.

Look at this, Mr. President: These shirts are advertised at \$2.66 apiece. Under the OPA we could not even buy one shirt—or, if we could, we had to pay anywhere up to \$10, and what we got was a long-collared cowboy shirt. We could not get a broadcloth shirt anywhere.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. BREWSTER. The figure the Senator from Nebraska has given is not sufficiently high. I paid \$15 for a shirt in the city of New York a month ago, and I am unable to distinguish it from the ordinary \$2 shirt.

Mr. WHERRY. I thank the Senator from Maine for his contribution.

Mr. President, this advertisement also lists nylon hose. It says:

This is no flash in the pan. This is the opening gun in a Gimbels campaign to bring down the cost of living. This is the opening event in a series of sensational sales of scarce necessities.

So, Mr. President, that is what is happening in New York City. This advertisement is taken directly from today's issue of The New York Times. It advertises the shirts which we have not been able to buy for 6 months, unless we got them from a bootlegger or a black marketeer. Now we can buy all we want for \$2.66, at Gimbels department store, and they also advertise nylon stockings for sale.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. WHERRY. The Senator from Wyoming yielded to me, did he not?

Mr. ROBERTSON. I did.

Mr. WHERRY. Mr. President, as I have said, Gimbels store is now advertising nylon stockings for sale. Under the OPA they could not be obtained except from a bootlegger. Under the OPA nylons were used to persuade people to sell other things. They were used by bootleggers.

Mr. President, I should like to have the advertisement by Gimbels Department Store printed in the RECORD as an exhibit.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

GIMBELS IS NOT CONTENT MERELY TO HOLD THE OPA LINE, GIMBELS SELLS THE SCARCEST THINGS AT LESS THAN OPA!

WHITE SHIRTS BELOW OPA CEILING

This is no flash in the pan. This is the opening gun in a Gimbels campaign to bring

down the cost of living. This is the opening event in a series of sensational sales of scarce necessities. Things that you need desperately and have been unable to find will be brought to you in this series of bargains below OPA ceilings. Gimbels, thrift specialists for more than a century, feel an obligation to keep prices low—whether times are good or bad or middling. Plain old Gimbels has never been a high, wide, and handsome store—our mission in retailing is to lower prices on wanted merchandise. And, boy, are these shirts wanted! They're well styled of smooth Sanforized broadcloth. They have well-cut collars, good tailoring all the way. Don't write, don't phone. Be here early—we'll sell you at least four shirts. Fifth floor. \$2.66.

NYLON HOSE BELOW OPA CEILING

This nylon sale is no flash in the pan. Gimbels is not what is known in stage talk as a morning glory—an actor who gives one stunning performance and then fades away. Gimbels is selling nylons below OPA ceilings tomorrow. Gimbels will sell any scarce thing that we can lay our hands on below OPA ceilings again and again and again. This nylon event will start at 9:30 tomorrow. These nylons will be on sale all day. All are flawless, perfect, full fashioned. The \$1.09 ones have cotton tops and feet. The \$1.27 and \$1.43 stockings are nylon top to toe. Prices are \$1.09, \$1.27, \$1.43—every pair of stockings at every price is below OPA ceiling. Go in at the specially marked nylon door on Thirty-second Street and go to the second floor. Two pairs to a customer, \$1.09 to \$1.43.

Mr. TAYLOR. Mr. President, will the Senator yield to me?

Mr. ROBERTSON. For what purpose does the Senator request that I yield?

Mr. TAYLOR. I should like to ask a question.

Mr. ROBERTSON. I yield.

Mr. TAYLOR. I should like to ask the Senator from Wyoming, inasmuch as he has the floor—I should have liked to ask the question of the Senator from Nebraska, but inasmuch as the Senator from Wyoming has the floor, I ask him why in his opinion the shirts are being sold below the OPA ceilings? If they are being sold below the ceiling price, how could the ceilings have had anything to do with the scarcity?

Mr. WHERRY. Mr. President, may I answer for the Senator from Wyoming?

Mr. ROBERTSON. The Senator may answer for himself.

Mr. WHERRY. Mr. President, under the OPA there were black-marketeers and black markets. The OPA is what created the black markets, and there will be black markets under any OPA. If the Congress enacts a law providing for ceiling prices, the Congress will simply be playing into the hands of the black-market operators. If the Government sets the legal prices, the black-marketeers set the black-market prices, and that is all there is to it.

If we eliminate the OPA we get rid of the black-market racketeers and we get rid of these artificial prices and we get rid of all the substitutions.

Mr. President, consider the case of the little girl's dress which was advertised for sale by a department store. Before the war that dress sold for \$5.95, but under Bowles the price was \$76. Yet, we hear talk about inflation. The OPA is the cause of inflation. Inflation took place earlier than 9 days ago when the

OPA came to an end. Inflation has been caused by substitution, hidden prices, and black-market racketeers. When we eliminate permanently the black-market racketeers and the OPA, the prices will decline.

Mr. ROBERTSON. I thank the Senator.

Mr. President, there is no basis for making a comparison between the prices of an article which can be bought today in the white market and the price of an article which could not be purchased 2 weeks ago, 2 months ago, or 2 years ago.

The article which is carried today in the Washington Star is headed:

Sunday dinner costs show jump of 4 to 28 percent since OPA ended.

The headline continues:

Typical menu and two stores selected in test for Washington shoppers.

The article continues as follows:

Washingtonians today shopped for Sunday dinners ranging from 14 cents to \$1.63 more expensive than the same meals under OPA a month ago, or from 4 to 28 percent.

Mr. President, I shall show that that statement is a deliberate misrepresentation of facts.

A typical menu was selected to compute the difference and a typical chain store and typical class 1 independent store were asked to give out the amounts they thought would be required and prices. Food for the meal priced at the chain store called for smaller portions than that priced at the independent, therefore no real price comparison exists between the two types of stores, although the comparisons between two different economic levels is considered accurate.

It may be considered to be accurate so far as this particular newspaper is concerned.

Here is the menu. It was worked out for a family of five:

Canned jellied consomme, fried chicken, corn on the cob, snap beans, lettuce and tomato salad, bread, butter, preserves, tea, and cantaloup.

Here's how the chain store worked it out:

Consomme, 10½ ounces, 14 cents, both before and after OPA; one 2½-pound chicken, \$1.18 before and \$1.40 now; six ears of corn, 78 cents then and now; one cello-box of tomatoes, 25 cents then, 23 cents now; a 1-pound head of Iceberg lettuce, 14 cents then and now; one loaf of bread, 9 cents then and now; one-quarter pound butter, 17 cents then, 20 cents now; one 8-ounce jar of preserves, 14 cents then and now; five tea bags, 5 cents then and now; two cantaloups, 50 cents then, 40 cents now. Total then \$3.69, now \$3.83; difference, 14 cents, or 4 percent.

The article continues to set forth the figures of the independent stores, but I shall not take the time of the Senate to read them. Later I shall ask to have the article in its entirety printed in the RECORD. For the present I wish to refer to the totals.

The total cost of this dinner, with somewhat larger portions, from the independent stores, was \$5.60 then, \$6.29 now, or a difference of 69 cents, or 12 percent.

Mr. President, I suggest that a dinner of that type for five persons could be purchased at many restaurants in Washington at from 75 cents to \$1 a person, and it would be cheaper for the typical

family to go to a typical restaurant and buy that typical dinner, and save the housekeeper from cooking and from washing the dishes, than to buy the food and prepare it at home.

We still must learn how to arrive at the 28 percent to which the article refers. This is how it is done:

But if someone didn't like fried chicken and decided to try for a standing rib roast of beef instead, the price at the independent, if they were selling any, which they weren't, would have been—one six-rib standing roast, \$2.34 then, \$3.90 now. This would raise the cost of the food necessary to prepare the meal, as figured by the independent, to \$5.86 then and \$7.49 now, a difference of \$1.63, or 28 percent.

The chain store simply wouldn't theorize on the roast-beef dinner, saying it "would not bat at flies."

So, Mr. President, the dinner-cost increase headlined at 4 percent, or 28 percent since OPA ended, is merely for the purpose of deluding the people who read it into believing that the prices of these food commodities have risen 28 percent, when, according to the prices of the articles themselves, the increase was not more than 12 percent.

I ask unanimous consent to have printed in the RECORD at this point the article in its entirety.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUNDAY-DINNER COSTS SHOW JUMP OF 4 TO 28 PERCENT SINCE OPA ENDED—TYPICAL MENU AND TWO STORES SELECTED IN TEST FOR WASHINGTON SHOPPERS

Washingtonians today shopped for Sunday dinners ranging from 14 cents to \$1.63 more expensive than the same meals under OPA a month ago, or from 4 to 28 percent.

A typical menu was selected to compute the difference and a typical chain store and typical class 1 independent store were asked to give out the amounts they thought would be required and prices. Food for the meal priced at the chain store called for smaller portions than that priced at the independent, therefore no real price comparison exists between the two types of store, although the comparison between two different economic levels is considered accurate.

Here is the menu. It was worked out for a family of five:

Canned jellied consommé, fried chicken, corn on cob, snap beans, lettuce and tomato salad, bread, butter, preserve, tea, and cantaloupe.

Here's how the chain store worked it out:

Consommé, 10½ ounces, 14 cents, both before and after OPA; one 2½-pound chicken, \$1.18 before and \$1.40 now; six ears of corn, 78 cents then and now; one "cello-box" of tomatoes, 25 cents then, 23 cents now; a 1-pound head of iceberg lettuce, 14 cents then and now; one loaf of bread, 9 cents then and now; ¼ pound butter, 17 cents then, 20 cents now; one 8-ounce jar of preserves, 14 cents then and now; five tea bags, 5 cents then and now; two cantaloupes, 50 cents then, 40 cents now. Total then, \$3.69; now, \$3.83; difference, 14 cents, or 4 percent.

Here's how the independent figured it:

Two cans consommé, 27 cents then and now; two 2-pound chickens, \$2.08 then, \$2.70 now; 10 ears of corn, 84 cents then and now; 2 pounds snap beans, 34 cents then and now; five tomatoes, 35 cents then and now; two heads of lettuce, 35 cents then and now; one loaf of bread, 9 cents then, 10 cents now; ¼ pound butter, 17 cents then, 23 cents now; a 1-pound jar of preserves, 33 cents then and now; five tea bags, 5 cents then and now;

three cantaloupes, 85 cents then and now. Total then, \$5.60; now, \$6.29; difference, 69 cents, or 12 percent.

But if someone didn't like fried chicken and decided to try for a standing rib roast of beef instead, the price at the independent, if they were selling any, which they weren't, would have been—one six-rib standing roast, \$2.34 then, \$3.90 now. This would raise the cost of the food necessary to prepare the meal, as figured by the independent, to \$5.86 then and \$7.49 now, a difference of \$1.63, or 28 percent.

The chain store simply wouldn't theorize on the roast-beef dinner, saying it "would not bat at flies."

Mr. ROBERTSON. Mr. President, whenever controls are taken off, as they were following June 30 of this year, there will be a bulge in prices. There is bound to be a bulge. If the controls were still in effect and were to be taken off 6 months from now, there would be a bulge in prices. There would be a bulge in prices if controls were to be taken off a year hence or 2 years hence. I believe that the best time to take off controls, a time which would result in the least effect on the consumer, is now.

So, Mr. President, the amendment seeks to eliminate all controls except those over rents. I ask for its consideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming.

Mr. ROBERTSON. Mr. President, on this question I ask for the yeas and nays. The yeas and nays were ordered.

Mr. STANFILL. Mr. President, I am very sorry I can not agree with my distinguished colleague with respect to his amendment, and I shall have to vote against it. I wish to assign some of the reasons why I shall have to vote against it. In the first place, I am fearful that the Senate and the conference committee may go too far in limiting the authority of OPA. I do not and cannot hold any brief for that agency. It has shown itself so inefficient and so full of maladministration that no sensible American citizen can defend it. It has spent the money of the taxpayers for its own propaganda purposes, and has encouraged the people to believe that all who do not favor the exact policies of that agency are non-patriots, and it has resorted to calling them all sorts of names. Proof of this is contained in the exhibits shown by the distinguished Senator from Ohio [Mr. TAFT] in his speech on July 9.

It is probably the most vicious bureau of the Federal Government because it seeks by its propaganda paid for by taxpayers' money, to undermine the faith and confidence of the American people in their elected representatives, the Congress of the United States. Its policies of enforcement and price-fixing have brought it into the contempt of the people. Its control actually encourages black-marketing and dishonesty and has presently become the greatest pressure group of all pressure groups. There is no need to cite instances as proof of these charges, because the CONGRESSIONAL RECORD for weeks and months past is full of proof of such conduct.

I am not a candidate for office and I may never be a candidate for office.

What I am saying is not colored by any desire for votes. I am honestly, sincerely, and truthfully trying to find and help work out an answer to this great problem confronting our Nation today.

The cure for inflation, which we all fear, is more civilian production, and equitable distribution of the products so produced. Thus the immutable law of supply and demand will eventually determine whether we do or do not have inflation. The only excuse or reason for price control in a free country where economic free enterprise has always heretofore prevailed, was in behalf of the war effort.

The war is over. The Government bureaus set up during the war do not know that. The people seem to be the only ones who do know it. The OPA was never intended for a peacetime economy in this country of ours. It was strictly a wartime measure. It has no place in the lives of the American people except as an emergency wartime expedient.

This, as well as many other Government bureaus, acts as if the regimentation of the American people, permitted under wartime conditions by a long-suffering nation, is now a part of the warp and woof of American life.

So far as I have observed, no bureau or administration or creature of the Government has ever willingly and voluntarily surrendered its powers, given to it under war conditions, once peace has come.

Let me give just one illustration, which recently came to my attention. The budget request of the United States Government for the fiscal year ending June 30, 1947, was transmitted to the Congress by the President of the United States on May 2, 1946. A Federal agency known as the Federal Surplus Commodities Corporation had been theretofore created by an act of Congress. On June 30, 1945, more than 99 percent of the assets of that Corporation were in cash, and the only other assets of the Corporation were charges due to it from other Government agencies, with one single exception. In the financial statement, under exhibit C, submitted by that agency, it is shown that there was due from other people than the Government or other Government agencies the sum of \$200. During the year 1945 there was collected of this amount due from others the sum of \$64, at an apparent cost of \$92,222, all of which was transferred to it by another Government corporation, leaving a balance due this agency the sum of \$136. This was all of the assets of this agency, with the exception of another item carried in its financial statement as due from Government agencies, amounting to \$131. Yet, this agency requested an appropriation for the fiscal year ending June 30, 1947, of \$40,000 to collect the sum of \$136. This \$40,000 was to be used for personal services, traveling expenses, communication services, supplies, and materials; and, if there is any person on the floor of the Senate who doubts these figures, I refer to pages 307 to 311, inclusive, of the volume Corporation Supplement to the Budget of the United States Government for the Fiscal Year Ending June 30, 1947.

Of course, Congress did not grant this appropriation, and denied this bureau of the Government any appropriation; but the point I make is that, once in power, once established by either an executive fiat or congressional action the agency will hang on and on and continue to operate and ask the Congress for appropriations of \$40,000 for the purpose only of collecting the sum of \$136.

No one knows how long it will take the OPA to wind up its affairs or how much money it will cost the American public. We know that it costs, in addition to all of the administrative expenses of this agency, which has more than 34,000 paid employees, more than \$2,000,000,000 a year in subsidies, the purpose of which it to fool the American people into believing that OPA is keeping prices down.

Just one illustration of this is the meat subsidy. The Government taxes all of the people of the United States, and takes the proceeds from these taxes and pays to the meat packers and producers a sum equal to approximately 5 cents a pound, thereby admitting that the OPA price should be raised 5 cents a pound. They do not allow the producers of meat to pass this 5 cents a pound on to the consumer, but they hide the fact that it actually costs the producer more than the price the meat is allowed to be sold for, and dig down into the pockets of the taxpayers to make up the difference.

Subsidies are inherently wrong, and should never be used except in the exigencies of war conditions; yet OPA subsidizes producers of commodities to an amount which is actually staggering, and then reports to the people that it is holding down prices. The increase in meat prices since OPA expired on June 30 equals practically only the addition of the amount of the subsidies, so that, as a matter of fact, the prices have not gone up at all. But more than money—whether prices or taxes—is involved. There is the broader question of the type of economy which relies on subsidies. Only one kind of a government has ever attempted to inject subsidies into the day-to-day purchases of an average family, and that is the government in which the officials wish to take over the management of every item, part and parcel of the life of its citizens. Price controls and similar interference with production and markets are an important link in the drive for national socialization of the Government of the United States.

However, I do not believe it wise at this particular time to prematurely and entirely abandon price control. If we could have had sound administration of that agency, an administration which would have given some reasonable interpretation to the wishes of the Congress as expressed in the laws it has heretofore passed, price control could have been abandoned already. Our production could have been encouraged until it at least approached the demand. But OPA has consistently refused to carry out such a policy; it has expressly refused to follow the rules and policy of the Congress.

I believe it has refused to do this because it wanted to perpetuate its own existence in the life of this Nation. The evils of indefinitely continuing price control, however, would be even greater than the evils of eliminating it too soon. Our economy runs on prices. Prices determine who produces what and how much he earns for producing it. The authority to control prices cannot be centrally administered for a long period or for a sustained period without inefficiency, inequity, black markets, a breaking down of respect for law and regulations, and probably more important still, a serious danger to our personal and political freedoms.

I have voted for some of the amendments to the present price control law. I have voted to decontrol meat, poultry, and milk. There are other items which probably should be decontrolled. I have voted for these amendments under the belief that production either equalled or so nearly equalled the demand that such control should be eliminated, knowing full well from its past history that OPA would never decontrol any item until it was forced to do so.

Of course the sudden ending of price controls was calculated to have some bad effects. So far, the reaction of producers, manufacturers, and merchants has been praiseworthy. They are promising every effort to keep prices within reason, not alone because they fear the effects of inflation, but because they want even less the return of OPA rules and regulations. What we all hoped for was the gradual elimination of price controls. It should have been possible to do this. The bill passed by the Congress undertook to do this. But the President would not listen to his advisers in Congress; instead, he took the advice of Chester Bowles. Bowles demanded a complete continuation of all rules and regulations with authority to himself to make and promulgate more and more of them. All this, in spite of the fact that we are having inflation and growing black markets under complete OPA control.

If Bowles and his group had been willing to accept some restricting of their authority, and tried to work out a compromise plan with Congressmen, we would probably still have OPA, but in a modified form. But Bowles was so bull-headed he fought every suggested change. For 12 years the Washington bureaucrats have been telling Congress what it must do. They have come to expect the elected representative of the people to pay no attention to the folks back home, but to come across with whatever the bureaucrats want. They are sure they know what is good for the people, and do not want anyone else making suggestions.

Probably the bill passed by Congress and vetoed by the President had many serious faults. But many of them could have been avoided if Bowles had been willing to compromise and give up some of his authority. He could have shown Congressmen the most-needed features to be retained, and they would have been willing to give up some of their ideas, if they had found a corresponding disposi-

tion in Bowles. But his arbitrary stand only aggravated the situation and strengthened the opposition to OPA.

Radicals and left-wingers will try to blame everything that happens on Congress because Congressmen have not been too friendly to many of their socialistic ideas. The simple fact is that Bowles and the President are to blame for the OPA debacle.

But, as I said in the beginning, I fear inflation. Inflation can do more harm to the American people than a temporary continuance of a restricted price-control law. Price control, properly administered, intelligently administered, and equitably administered, can hold a runaway inflation in check, but it cannot cure the disease. The only cure for the disease is more and more production. The emergency which we are facing at this moment is such that we must judge for ourselves whether it is better to remove all price controls at one fell swoop by refusing to enact any price-control bill, or whether it is wiser and better for the people as a whole to check, if we can, this danger of a runaway inflation by a temporary price-control law. We have come through a travail of nearly 2 weeks without price control. It is like unto the flood gates in a dam: the moment the flood gates are opened the water pours through in a flood, but it will in due time seek its own level. The old immutable law of supply and demand will see that prices do seek their own level, provided we can have the production which will guarantee the supply.

The administration has committed a classic blunder. Instead of moving against rising prices and rising costs, it has moved side-wise and has increased prices and increased costs. Mr. Henry Wallace released a memorandum purporting to prove that wages can be substantially advanced without price increases. Labor took this as a minister takes a text from the Bible, and in oil, in automobiles, in steel and in coal, they struck for and obtained higher wages and made higher costs of every commodity produced from any of the basic materials.

So we are now confronted with the proposition of meeting this classic blunder of the administration. We all know we cannot increase wages without increasing the price of the product the labor goes to make, and the OPA itself has actually recognized this, while, with its tongue in its cheek, it claims it is holding down all prices by recently permitting, increases on more than 500 items, and by paying \$2,000,000,000 of the taxpayers money in subsidies in order to create the false impression that it is holding prices.

The cry has gone out over the length and breadth of the land, "Don't cripple OPA," as if OPA were some holy institution which would be sacrilegious for Congress to touch. The OPA propaganda has in fact tried to make it a holy of holies in the minds of the people. I do not believe it has any such holy or divine existence; it is a creature of Congress; as such Congress should direct and control its policies. I voted for an amendment which I honestly believed

would provide a formula which OPA should follow. That amendment was defeated by a tie vote. I sincerely trust that the law as reported by the committee will be so construed as to provide such a formula and that OPA will honestly and earnestly undertake to carry out the policy of Congress; if it does we may be able to live under the law. If it does not no one can predict the temper of the American people or what may happen as a result of its failure. Frankly, I am not too hopeful that OPA will ever pay any attention to the policies laid down by Congress.

But nevertheless I shall support the bill as a temporary measure, believing that it will be in some measure a check what might otherwise be a run-away inflation and earnestly hoping its policies will henceforth be an aid to and encouragement of production.

I cannot bring myself, Mr. President, to vote for the amendment which has been proposed by the distinguished Senator from Wyoming, which I understand will do away with all OPA controls except rent control. I have voted, as I said, for a number of amendments under the opinion at least that the supply is equal to or is approaching the demand. I voted for the amendment which I thought provided a good formula for decontrol. That amendment was rejected by the Senate, and I shall abide by the results of the Senate's vote on that amendment. I shall support the amendments I have already voted for, but I do not think we should further amend the measure. We should give it a trial on a temporary basis, and try to see if OPA will not in some manner change its policies and work out a price-control measure which will keep away the fear of inflation. I do not know whether we are going to have inflation or not; but the fear of inflation has been placed in the minds of the people by OPA propaganda. We must guard against the fear of inflation.

So far as I am concerned, Mr. President, I shall vote against other amendments unless it can be shown to my satisfaction that they will be of aid in the formulation of a price control law. I shall vote for the measure, and I shall vote against the amendment of the Senator from Wyoming.

Mr. McMAHON. Mr. President, I wish to say that I was listening to the radio while I was eating my dinner a short time ago. I heard an announcement on the radio that the commodity index is up 4.9 for the day.

Mr. BARKLEY. Mr. President, I shall occupy the time of the Senate for only a moment. I appreciate what my colleague has said with reference to his attitude toward this measure. I do not agree with him that fear of inflation has been engendered solely by propaganda on the part of the OPA. People were talking about inflation in this country before there ever was an OPA, before any OPA law was ever passed, or ever thought of. Those of us who are old enough to remember what took place after the last war do not have to have any propaganda on the part of any Government agency to remember something about inflation and to know something

about inflation. Even aside from the history of our own country, we know what has happened in other countries as the result of inflation.

It may be that it has been overplayed in some places. It is not hard for us who are in the midst of a situation where we have a responsibility to become probably a little oversensitive. It is not hard for us even to exaggerate the dangers of a situation which we have studied. But the American people did not need the OPA to teach them anything about the evils of inflation, and I do not think it is quite fair to assume or to assert that the fear of inflation, which is a daily fear among the average wage earners of the United States, the average salaried man or woman of the United States, is an exaggerated fear. It is not something that has been stimulated by propaganda. It is a reality so far as they are concerned, and they have already been the victims of it to the extent to which there has been any inflation or increase in the cost of living out of proportion to their increase in compensation and income.

But I did not rise to discuss that question. I merely wanted to allude to it in view of the fact that my colleague seems to have charged the OPA with responsibility for all the fears that exist in this country on the subject of inflation.

Mr. TAFT. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. Yes.

Mr. TAFT. I wish to ask the Senator a question about his interpretation of a provision of the bill, in section 3, 1 (C) (3), which deals with the decontrol of commodities. The question I wish to ask the majority leader is whether, in his opinion, that section applies to commodities which have been substantially decontrolled by the amendments adopted by the Senate. The provision is as follows:

(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this act.

The question I want to ask the Senator is whether he thinks that applies not only to the commodities which have been decontrolled by the Secretary, but also those which have been specifically decontrolled.

Mr. BARKLEY. That question arose, as the Senator from Ohio no doubt recalls in the committee while the Decontrol Board provision was under consideration, and also while the provision of the bill putting the authority and responsibility on the Secretary of Agriculture to recommend decontrol was being considered. My recollection is that it was the consensus of opinion of the members of the committee that that provision of the law would authorize the recontrol of articles taken out from under control, whether by the Adminis-

trator or by the Congress itself. The language taken by itself has no reference to the method by which decontrol has come about. It might logically be contended that it refers only to the previous provisions of the bill which authorize the Secretary of Agriculture to recommend decontrols and make it mandatory upon the Administrator to do that.

If there were no specific decontrols carried in the bill itself, of course, that would be all it would refer to. But the general term of that provision of the measure might be interpreted—though I would not want to say categorically that a court would so hold—that it applied to the articles decontrolled, whether by recommendation of the Secretary and finally by order of the Administrator, or whether they are decontrolled by the act itself.

Mr. TAFT. It occurs to me it is a point of great importance, and one that should be clearly settled.

Mr. BARKLEY. It is a matter of great importance, because if there is any theory upon which we would assume that an article decontrolled by the Secretary of Agriculture could be recontrolled under conditions which might subsequently exist, the same reason for a recontrol with the written consent of the Decontrol Board, without which it cannot be done, ought to apply to any decontrolled article, regardless of the process by which it was decontrolled. My recollection is that the committee felt that this language would apply to the recontrol of any article, even though it were decontrolled by Congress.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. Then the purpose of this section of the measure is this: If after certain agricultural commodities are decontrolled the price rises temporarily, and then settles back to a level perhaps a little higher than it was before the decontrol, under such conditions the Secretary of Agriculture would not have any power to restore controls over those commodities. However, if the price rises after decontrol and does not stop, but keeps right on rising and appears to be going to a dangerous height, then the Secretary would have the power to recommend that controls be replaced on such agricultural commodities, and the Administrator would be required to do that.

Mr. BARKLEY. That is correct. But the Secretary of Agriculture would have to have the written consent of the Decontrol Board in any event.

Mr. AIKEN. Oh, yes.

Mr. BARKLEY. And, of course, the theory is that if an article is decontrolled, and after that it becomes in short supply, or through any exigency that may arise thereafter prices should go up and continue to go up until the economy would be unbalanced and the public would suffer by reason thereof, the Secretary should have the authority to bring about the reimposition of ceilings in order that that situation might be corrected for even a temporary period, or so long as it might be necessary. After the controls had been reimposed the same rule would apply to further decontrol as ap-

plied to the decontrol which took place in the first instance.

Mr. AIKEN. I think this is a very wise provision, but it does place on the Secretary the burden to determine, when prices go up after decontrol, whether it is a temporary flurry, or whether they are going up to permanent and dangerous heights.

Mr. BARKLEY. That is correct.

I wish to say one word about the pending amendment. After all the work that has been done, whether good, bad, or indifferent, to try to write a measure, it seems to me that the Senate will not take the position of giving up the ghost and saying that it is incapable of legislation on the subject; that nothing can be worked out between the two Houses, and that we might as well resign ourselves and announce our failure by saying that all we can do is to strike out what we have done and leave in nothing but rent control. I do not believe the Senate will do that, and I do not believe the country would approve of such procedure. I think it would be an astonishing admission of legislative failure for the Senate or the House, or both Houses together, at this stage to adopt such an amendment as this. I hope it will not be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. ROBERTSON]. On this question the yeas and nays have been ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Daniel
Austin	Hayden	Overton
Ball	Hill	Pepper
Barkley	Hoey	Radcliffe
Brewster	Huffman	Reed
Bridges	Johnson, Colo.	Revercomb
Briggs	Johnston, S. C.	Robertson
Brooks	Kilgore	Russell
Burch	Knowland	Smith
Capehart	La Follette	Stanfill
Capper	Langer	Stewart
Carville	Lucas	Swift
Chavez	McCarran	Taft
Cordon	McClellan	Thomas, Utah
Donnell	McKellar	Tobey
Downey	McMahon	Tunnell
Eastland	Magnuson	Wagner
Ferguson	Mead	Walsh
Fulbright	Millikin	Wherry
Gerry	Mitchell	White
Gossett	Moore	Wiley
Green	Morse	Wilson
Guffey	Murdock	Young
Gurney	Murray	
Hart	Myers	

The PRESIDING OFFICER. Seventy-three Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. ROBERTSON]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Mon-

tana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from Georgia [Mr. GEORGE] is detained on official business at an important meeting of the Joint Committee to Investigate the Pearl Harbor Attack.

The Senator from Idaho [Mr. TAYLOR] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting the Senator from Florida [Mr. ANDREWS], the Senator from South Carolina [Mr. MAYBANK], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILSON] is necessarily absent.

The Senator from Delaware [Mr. BUCK] and the Senator from South Dakota [Mr. BUSHFIELD] are unavoidably detained.

The result was announced—yeas 12, nays 61, as follows:

YEAS—12

Ball	McCarran	Robertson
Bridges	Moore	Wherry
Brooks	O'Daniel	Wiley
Gurney	Reed	Wilson

NAYS—61

Alken	Hawkes	Murray
Austin	Hayden	Myers
Barkley	Hill	Overton
Brewster	Hoey	Pepper
Briggs	Huffman	Radcliffe
Burch	Johnson, Colo.	Revercomb
Capehart	Johnston, S. C.	Russell
Capper	Kilgore	Smith
Carville	Knowland	Stanfill
Chavez	La Follette	Stewart
Cordon	Langer	Swift
Donnell	Lucas	Taft
Downey	McClellan	Thomas, Utah
Eastland	McKellar	Tobey
Ferguson	McMahon	Tunnell
Fulbright	Magnuson	Wagner
Gerry	Mead	Walsh
Gossett	Millikin	White
Green	Mitchell	Young
Guffey	Morse	
Hart	Murdock	

NOT VOTING—23

Andrews	Ellender	Shipstead
Bailey	George	Taylor
Bilbo	Hatch	Thomas, Okla
Buck	Hickenlooper	Tydings
Bushfield	McFarland	Vandenberg
Butler	Maybank	Wheeler
Byrd	O'Mahoney	Willis
Connally	Saltonstall	

So Mr. ROBERTSON's amendment was rejected.

Mr. WHERRY. Mr. President, I offer the amendment which I have previously submitted for printing. It is designated as No. D, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 24, beginning with line 14, it is proposed to strike out all down to and including line 18, and insert in lieu thereof the following:

(t) No maximum price shall be established or maintained for any commodity below the level necessary to afford distributors, wholesalers, retailers, and others dealing therein the margins or mark-ups (including discounts) in effect thereon in the calendar year 1940.

Mr. WHERRY. Mr. President, I shall detain the Senate only a few minutes. The amendment is practically self-explanatory, but I desire to make a brief explanation of what it will do and also what it is a substitute for.

The new subsection (t) which has been reported by the Committee on Banking and Currency reads as follows:

(t) In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall make due allowance for the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

Mr. President, I should like to inform the Members of the Senate that I have been advised by hundreds and hundreds of retailers and trade associations that the committee amendment is not acceptable to them, and I can state the reason why it is not. If the committee's subsection (t) is adopted, to begin with it says that the OPA shall make only due allowance, so, of course, that is merely window-dressing, and probably does not mean anything.

But if the OPA Administrator seeks to interpret the amendment as it is written, he can determine and will put into effect all cost absorptions up to June 29, 1946, which have been imposed on all segments of the industry; and, furthermore, whenever he puts the order into effect, he freezes the mark-ups of June 29 for the balance of the year.

So what we are doing under the new subsection (t) is to impose this restriction upon all segments of industry beyond the manufacturer and processor, to whom increases will be granted under the provisions of the joint resolution. They will freeze the distributor, the wholesaler and the retailer with all the cost absorptions they have had since the war began—not merely up to January 1, but up to June 29, 1946.

That is the reason why the retailers and distributors and wholesalers have been sending telegrams to the Congress by the hundreds—yes; I would say by the thousands—stating that subsection (t) is not acceptable to them, and that they would prefer not to have anything, rather than to have it, because without subsection (t) they can obtain relief in hardship cases, based upon their businesses during the past years.

Mr. President, the old subsection (t) which was adopted was different, and I should like to read it to the Senate. It was adopted to the former bill which went to conference and finally went to the President. Here is what it provided:

(t) No maximum price applicable to any distributor, wholesaler, or retailer, shall be established or maintained for any commodity below a price which will return to such distributor, wholesaler, or retailer with respect to such commodity his January 1, 1946, discount or the sum of (1) total current cost of acquisition plus (2) his January 1, 1946, mark-up.

There were several other lines to the subsection. They related to having the prices applied on an average basis for the industry, and so forth. But I have read the important part of the subsection.

The President objected to that. The period on which the old provision would have established the base was from January 1 to October 15, 1941. The President objected to that, first, because of the date.

The OPA Administrator stated that excessive profits were made in 1941. That has been also the statement of persons who have favored the manufacturer's amendment and the producer's amendment which the Senate adopted, and they have considered for their purposes the year 1940. That was during peacetime when conditions were normal. So, in his veto, an objection was made by the President to the use of the year 1941. He objected to the language which related to the prewar mark-up, or the sum total of current costs of acquisition plus prewar mark-up. That is, it was interpreted by the proponents of the amendment that it was a cost-plus amendment, and that under it the costs were guaranteed and on top of that, the mark-up. Personally, I do not feel that is a correct interpretation, regardless of the fact that the statement was made. So the President vetoed the bill.

I am satisfied that the greatest objection which the President had was to what has been called the Taft amendment, or the manufacturer's amendment. At least I gathered that much from the veto message, and also from the speech which the President made over the radio in which he mentioned the name of the Senator from Ohio about 10 times to

mine once. So I am satisfied that personally he was not more opposed to the Wherry amendment than he was to the Taft amendment. However, Mr. President, I do not wish to say that I am in greater favor with the President than is the distinguished Senator from Ohio, but I am trying to make it as easy on the amendment as I can.

There is another thing which I wish to call to the attention of the Senate, and I do so with the best of feeling. When I offered the amendment I said that it originated in the Small Business Committee of the Senate. The amendment was drawn after careful consideration. I do not mean that it was offered by the Small Business Committee, because that would have been impossible. But I do mean to say that the majority of the members of the Small Business Committee agreed that the amendment should be offered, and I offered it in behalf of the distinguished members of that committee. I refer to the CONGRESSIONAL RECORD, where I said:

Mr. President, I should like to say that the amendment is offered in behalf of the Senator from Indiana [Mr. CAPEHART]—

The Senator from Indiana was in Indianapolis at the time on a very necessary mission—

The Senator from Montana [Mr. MURRAY], the Senator from Iowa [Mr. WILSON], the Senator from Oklahoma [Mr. MOORE], and the Senator from Tennessee [Mr. STEWART].

I wish to give them full credit for the fact that the amendment would have given to the other segments of the industry the opportunity to pass on through their traditional mark-ups the increase which should have been allowed. I have been asked to reoffer the same amendment, containing in it only a change of date. But I do not wish to do that. I do not wish to have presented a bill to the President of the United States which he will feel called upon to veto because we have incorporated the same amendments, or have changed the dates. So I have again taken the matter up with the members of the Small Business Committee, and they have agreed that this simple amendment should be offered. The amendment has been read. Once again I wish to say that I consulted with the distinguished chairman of the Small Business Committee, the Senator from Montana [Mr. MURRAY], and with the distinguished chairman of the complaints subcommittee of the Small Business Committee, the Senator from Tennessee [Mr. STEWART] and both agreed that the amendment should be offered. If I am not mistaken, both of them told me that they would support the amendment on the floor of the Senate, if I would offer it in behalf of the Small Business Committee.

Mr. President, the amendment excludes current costs. There is nothing in the amendment which would guarantee costs to anyone. All the amendment does is to say to the Administrator that from now on, as a formula, he shall grant to the distributor, the wholesaler, and the retailer the mark-up and the margin or discount which was in effect in 1940. That is all the amendment does. We do not give any opportunity for the whole-

saler, the retailer, or the distributor to contend that he shall be allowed current costs plus prewar mark-ups. We simply say to the Administrator that from now on, he shall not again impose cost absorptions, but if he does, the segments of industry to which I have referred will have the right to apply their old trade mark-ups or their discounts, or their margins which they were using in the prewar year of 1940. That year has been used as the normal base period in granting similar relief to the manufacturer. If the amendment is adopted the manufacturer, the processor, and the producer will have the right to receive increases in bringing about maximum production.

Mr. STEWART. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. MURRAY. I yield.

Mr. STEWART. In reading the amendment I believe I observed that the year was 1946 instead of 1940.

Mr. WHERRY. Mr. President, if a mistake of that kind has been made, I am glad to have it corrected; 1940 is the year to which we should go back in putting into effect the purpose of the amendment.

Mr. STEWART. Yes. I am in favor of the amendment. I am sure that almost all members of the Small Business Committee are in favor of it. At least, they were some time ago. I have not polled the members of the committee lately. I understood that the amendment provided only for mark-ups by retailers, which would include a small segment of businessmen who are in the category or group operating small businesses.

Mr. WHERRY. Yes.

Mr. STEWART. I am very much in favor of the amendment.

Mr. WHERRY. I thank the distinguished Senator, and appreciate very much his remarks.

Mr. President, we are not attempting to renew the old act. I wonder how many Senators have thought of that fact. We are writing a new price stabilization act. If the pending joint resolution becomes law, it will be a new act. It will apply to the coming year. Are we going to write into the act provisions for cost absorptions. Is that what the Senate wishes to do? I invite the attention of all Members of the Senate to the number of the cost absorptions which have been imposed on the segments of industry to which I have referred, after price increases were granted to the manufacturers.

From April 22, 1942, to December 31, 1945, 268 general price increases were allowed to manufacturers. From January 1, 1946, to April 17, 1946, 115 general price increases were allowed to manufacturers. From April 18, 1946, to June 30, 1946, 131 price increases were allowed manufacturers. That makes a total of 514 price increases.

Mr. President, what about cost absorptions? From April 22, 1942, to December 31, 1945, a total of 201 cost absorptions were imposed upon these three segments of industry. From January 1, 1946, to April 17, 1946, a total of 70 cost absorptions were imposed on these three segments of the industry. From April 18,

1946, to June 30, 1946, a total of 31 cost absorptions were imposed upon these three segments of the industry.

To summarize, from April 22, 1942, to June 30, 1946, 514 general price increases were allowed to manufacturers. Of that number, 302 had to be absorbed entirely by the jobber, the distributor, and the retailer. They came out of the profits of those three types of businessmen.

Mr. President, I ask unanimous consent to place in the RECORD this exhibit which gives the price increases on the cost absorptions taken up by industry.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary of cost absorption required by OPA of retailers	
GENERAL PRICE INCREASES PERMITTED MANUFACTURERS	
1. Apr. 22, 1942-Dec. 31, 1945.....	268
2. Jan. 1-Apr. 17, 1946.....	115
3. Apr. 18-June 30, 1946.....	131
Total.....	514
TOTAL ABSORPTION OF INCREASES REQUIRED OF RETAILERS	
1. Apr. 22, 1942-Dec. 31, 1945.....	201
2. Jan. 1-Apr. 17, 1946.....	70
3. Apr. 18-June 30, 1946.....	31
Total.....	302
INSTANCES WHERE COST ABSORPTION WAS NOT REQUIRED	
1. Apr. 22, 1942-Dec. 31, 1945.....	14
2. Jan. 1-Apr. 17, 1946.....	5
3. Apr. 18-June 30, 1946.....	31
Total.....	50
PASS THROUGH TO CONSUMER OF DOLLAR INCREASES IN PURCHASE COST	
1. Apr. 22, 1942-Dec. 31, 1945.....	36
2. Jan. 1-Apr. 17, 1946.....	18
3. Apr. 18-June 30, 1946.....	52
Total.....	104
PASS THROUGH TO CONSUMER OF LESS-THAN- DOLLAR INCREASES IN PURCHASE COST	
1. Apr. 22, 1942-Dec. 31, 1945.....	17
2. Jan. 1-Apr. 17, 1946.....	21
3. Apr. 18-June 30, 1946.....	17
Total.....	55
JULY 11, 1946.	

Mr. WHERRY. Mr. President, if we adopt subsection (t) as now contained in the joint resolution, we will legalize all these cost absorptions. We cannot take them off the books of the jobbers, the retailers, and distributors.

The amendment is not retroactive. Statements on the floor have been to the effect that it was retroactive, but it is not. It means that under the new price law the Price Administrator will not be able in the future to pass on a cost absorption, because the provision that the distributor is entitled to his own margin, to his mark-up, or to his discount as of the year 1940, will be in effect.

Mr. President, I cannot see anything wrong about it. If we are to write a protection to three segments of industry—and we have to do it, because we have the manufacturer, the producer, and the processor—if we are to do that, why do we not complete it? Every retailer, every corner grocery store, every drug store, every furniture store, all the retail businesses, are affected by subsection (t).

I think the amendment has now been properly explained. It is new. It is something to be effective from now on. It is not retroactive. It provides that the Administrator shall not impose cost absorptions from now on. It is the fairest way to guarantee these three segments of industry that they shall not have to absorb the increases the committee measure provides for the manufacturer, the processor, and the producer.

Mr. President, I should like to have a yea and nay vote on the amendment.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I wish to call the attention of the Senate to some matters in connection with the amendment before it is voted upon.

I do not understand why the Senator from Nebraska persists in offering the amendment, unless it is an insatiable desire to get some more blood out of the joint resolution before it is finished.

The amendment offered by the Senator from Nebraska is not so favorable to the retailers as the provision in the joint resolution, if it is retailers he is trying to help. The amendment he offers merely provides that "no maximum price shall be established or maintained for any commodity below the level necessary to afford distributors, wholesalers, retailers, and others dealing therein the margins or mark-ups in effect thereon in the calendar year 1940."

In the original amendment offered by the Senator, which was adopted by the Senate and rewritten in conference, current costs of the commodity purchased were allowed. The Administrator was instructed to allow current costs, whatever such costs may have been, and that is what is provided in the section which the Senator seeks to eliminate.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. The language says that the Administrator shall make due allowance.

Mr. BARKLEY. Whenever we make due allowance for current costs, we allow what is due on current costs.

Mr. WHERRY. Will the Senator answer another question?

Mr. BARKLEY. I shall try.

Mr. WHERRY. I have faith that the distinguished Senator can answer it.

Mr. BARKLEY. I appreciate that. Do not make the question too hard, however. [Laughter.]

Mr. WHERRY. Let me see if I can put it in such form that the Senator can understand it.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BARKLEY. I have yielded to the Senator from Nebraska.

Mr. CAPEHART. Does the Senator refuse to yield?

Mr. BARKLEY. I yield to the Senator from Indiana.

Mr. CAPEHART. I desire to make the suggestion, in case the Senator is unable to answer, that I see the former Director of the OPA in the gallery. He may be able to answer for the Senator.

Mr. BARKLEY. Mr. President, this is a free country, and anyone has a right to sit in the Senate gallery, if he is a former Director of OPA, the present director, or

someone who hopes to be in the future. I do not see what light is thrown on the discussion here by referring to the fact that a particular Government official is in the gallery.

Mr. CAPEHART. Mr. President, I do not see what light is thrown upon the subject by the majority leader wasting the time of the Senate by trying to be comical in attempting to answer the question of the Senator from Nebraska.

Mr. BARKLEY. Of course, if the Senator from Indiana does not understand or appreciate my comedy, that is something for which I am not responsible. The Lord will have to take charge of that. [Laughter.]

Mr. WHERRY. Mr. President, I should like to ask the distinguished majority leader this question: If subsection (t) is adopted, will it not freeze all of the cost absorptions which have been imposed up to June 29, 1946?

Mr. BARKLEY. I do not care to answer that question categorically "Yes" or "No," because such an answer would not be correct, but I shall try to answer it in my explanation of what I think the section means.

I was about to draw the attention of the Senate to the difference between the amendment the Senator has offered and the provision in the joint resolution which the committee adopted.

As I was saying, in the original amendment offered by the Senator, the Administrator was instructed, in fixing retail prices, to fix them at a point not below that which would represent current costs of acquisition, that is, the amount that was paid for the goods, plus the margins which were in effect before the war. I think the language was "prewar margins or mark-ups."

When the conference committee considered that it decided that wholesalers or jobbers should be allowed what it cost them to get the goods in the first place plus the mark-up or discount in effect on January 1, 1946. That was the provision in the bill which the conference committee wrote, and the two Houses agreed to it.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. When the conferees did that they froze all cost absorptions imposed upon those three segments as of January 1, 1946.

Mr. BARKLEY. What we did was to add to the cost of acquiring the goods by the retailer the mark-ups and discounts that were in effect on that date.

Mr. WHERRY. Will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. When the conferees did that they took out all the mark-ups or cost absorptions and froze them. That is why there was not anything left in the amendment.

Mr. BARKLEY. We might argue all night about what was left in the amendment. I think there was enough left in it. There was all any retailer had a right to expect the Government of the United States to guarantee him, namely, what it cost to buy the goods, and the mark-up.

Mr. WHERRY. Will the Senator yield?

Mr. BARKLEY. I wish the Senator would allow me to make a consecutive statement.

Mr. WHERRY. The Senator said the guaranty was there. I should like to say to the distinguished Senator—and it is one of the arguments we have had—that when he accepted the date January 1, 1946, and put in the amendment the provision for cost plus the mark-up, he took out of the mark-up the increased cost, which was the absorption cost.

Mr. BARKLEY. There has been a program of cost absorption with respect to certain merchandising which has been sold since January 1. The goods which represented the merchandise on the shelves have been sold. They have gone to the consumers. Many of them have been consumed. The merchant has made whatever profit he made upon them, and has reinvested the profit in other goods now on his shelves.

In subsection (t), which is a part of the joint resolution, we still allow whatever it cost him to buy the goods, and it will include whatever increase in manufacturing prices are brought along by the new pricing formula for goods manufactured under the formula to which the Senate has agreed. Whatever increases go into that will be allowed the merchant when he puts the goods on his shelves, and, in addition to that, the mark-up or margin which was in effect on the 29th day of June. I think that is a fair proposition.

Mr. WHERRY. Will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. That mark-up includes the cost absorption.

Mr. BARKLEY. In some cases it does; in some cases it does not. Whatever it represents, as to the goods upon which there was a margin, upon which the retailer was not even guaranteed the cost of acquisition up to June 29, or up to now, there was no guaranty, there was no mandatory provision that the Office of Price Administration should allow merchants what they had paid for their goods when they were purchased. There was a program of cost absorption for certain increases brought about by increases in the cost of manufacture.

It was supposed that every article bought by a merchant since January 1 represented an increase in labor costs in manufacture, but that was not true. Most of the increases in labor costs did not go into effect in January, February, or March. The truth is that most of them have not even yet gone into effect, because the increases in the manufacturing costs due to increases in labor costs did not go into effect until April or May and some of them not until June. So it is not true that all the goods purchased by merchants and put on their shelves since January 1 represented increases in cost of manufacture due to increases in wages.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. Was the Senator in the Senate when I read the list of general price increases in industry from April 22, 1942?

Mr. BARKLEY. I do not know whether I was present. I probably was.

Mr. WHERRY. There were 512—

Mr. BARKLEY. 512 what?

Mr. WHERRY. I will tell the Senator. There were 512 general price increases to all industry in the United States.

Mr. BARKLEY. During the entire 6 months?

Mr. WHERRY. No, from April 22, 1942. I hope the Senator will just be patient. We have a right to establish our case here.

Mr. BARKLEY. The Senator established it in his time. Does the Senator want to establish it in my time?

Mr. WHERRY. I certainly can ask all the questions I want to.

Mr. BARKLEY. What was the Senator's statement?

Mr. WHERRY. There is no limit on debate here.

Mr. BARKLEY. No.

Mr. WHERRY. Very well. And we can establish our case in the Senator's time or in my time.

Mr. BARKLEY. Mr. President, I have tried to be courteous to the Senator.

Mr. WHERRY. And I have tried to be courteous to the distinguished majority leader.

Mr. BARKLEY. I did not ask the Senator to yield to me while he was speaking. He has taken up more of my time than I have myself.

Mr. WHERRY. If the Senator does not want to yield to me, very well.

Mr. BARKLEY. I have not done anything but yield.

Mr. WHERRY. I ask the Senator to yield right now.

Mr. BARKLEY. Very well, I yield right now; right now; right now. [Laughter.]

Mr. WHERRY. That is wonderful. I appreciate the humor represented by the Senator pounding on the desk. I am thankful for it.

Mr. BARKLEY. Oh, no. Do not accuse me of being humorous, because it will give offense to the Senator from Indiana.

Mr. WHERRY. I do not want to do that.

Mr. BARKLEY. I am yielding.

Mr. WHERRY. Will the Senator yield?

Mr. BARKLEY. I said I am yielding. I am still yielding.

Mr. WHERRY. Now the Senator is in good humor again. We all love the majority leader. He has had to take much punishment. I do not blame him for being irritable.

Mr. BARKLEY. No; I am not irritable. If the Senator makes a false accusation of that kind against me I shall not yield to him.

Mr. WHERRY. I would not make a false accusation against the distinguished majority leader for anything in the world. He knows I love him, does he not?

Mr. BARKLEY. Will the Senator write that statement out?

Mr. WHERRY. Now that we have gotten along this far amicably, I should like to ask the distinguished Senator one more question.

Mr. BARKLEY. Very well. Can I depend on that?

Mr. WHERRY. No; I am going to ask the Senator a question, and another after that, and if it leads to still another I shall ask the Senator to yield, and I know he will yield.

Mr. BARKLEY. Go ahead.

Mr. WHERRY. Let us take any industry, and say that the cost of the commodity manufactured by the industry is guaranteed. We do not guarantee it to the distributor in my amendment. Let us consider a certain type of article. The wholesaler obtains it, and then sells it to a retailer, and the retailer sells it to the consumer. In 302 cases of the 512 price increases, the manufacturers' increase has been passed on to the wholesaler and retailer, and they have absorbed it without passing it on to the consumer. That is true with respect to 302 out of 512 price increases.

Mr. BARKLEY. That confirms what I said a while ago, that only some of the increases have been passed on to the retailer, and he was compelled to absorb them. It was about three hundred out of five-hundred-odd.

Mr. WHERRY. Will the Senator permit me to continue for a moment, and then I want to ask the question. Of the remainder of these absorptions, the retailers have absorbed up to about half. The increases I have mentioned were all the price increases from April 1942 until June 30, 1946. If the cost of acquisition is charged on the invoice, and the mark-up is frozen as of January 1 or June 30, 1946, it results, in the case of furniture dealers, for instance, that they are required to absorb 12 percent on every piece of furniture they sell. That is the effect of the freeze.

Mr. BARKLEY. Is that a question?

Mr. WHERRY. The question has not been asked yet. I hope the distinguished Senator will bear with me for just a moment. We are trying to present both sides of the case.

Mr. BARKLEY. Yes; I will bear with the Senator.

Mr. WHERRY. I will give the Senator as much of my time, when I speak again, as the Senator has given me of his time.

Mr. BARKLEY. The Senator from Nebraska has already had his time on the floor.

Mr. WHERRY. I have some more time! I can speak again on this measure.

Mr. BARKLEY. I understand that.

Mr. WHERRY. The pending amendment does not guarantee current costs at all. We are not asking for current costs. We are not proposing a retroactive application. The Senator says the merchants already have the goods. We are not worried about the goods they have. All we are asking is that in the future, when a new price-control act is being written, that the three segments of industry in which the increases will be made will be permitted to charge the same percentage mark-up or the margin or the discount they had in 1940. What is wrong with that?

Mr. BARKLEY. I shall try to tell what is wrong with it. I am serious about this, Mr. President. If I were a

merchant I would rather have the Government of the United States say that I shall be allowed what it costs me to buy the goods on my shelves, and have the discount that was in effect on June 29, than to say nothing about my being allowed what it cost me to put the goods on my shelves and go back to 1940 for the discount I then had on my goods.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The words of the Wherry amendment are:

No maximum price shall be established
 * * * below the level necessary to afford
 * * * to dealers * * * the margins
 in effect thereon in the calendar year 1940.

"Margin" means the difference between the current cost of the goods and what the dealer sells them for, so there is just as much current cost in the Wherry amendment as in the other amendment.

Mr. BARKLEY. Why was it necessary, then, to clutter up the original Wherry amendment with the guarantee of cost of acquisition, the current cost?

Mr. TAFT. That is one way of doing it, but "margin" means the difference between the purchase cost at a certain time, with the legitimate current cost between them added to the selling price. Of course this proposal is more favorable to the wholesaler. It provides that the wholesaler can have the current price plus the 1940 discount, instead of the discount in effect today. The discount in effect today has been cut many times in the case of many wholesalers, particularly since the 1st of January of this year. This simply restores the margin they had in 1940. The wholesalers trade has always been conducted on traditional mark-ups. That is the way they have always done business. This amendment provides that they can charge the traditional mark-up. That is the effect of the amendment.

Mr. BARKLEY. Business returns and business conditions have changed in the past 6 years. It may be that the war had something to do with the change in the method of doing business; but there has been an immense change in the whole business outlook and in the method of transacting business since 1940.

I should like to read to the Senate some figures with respect to profits of certain categories of business in the 1936-39 period and in 1945. Much has been said here about business not being able to make any money under the OPA, either manufacturers or wholesalers or retailers. In the 1936-39 period the average profit of the building materials industry before taxes was \$616,230,000. In 1945 it was \$120,380,000.

The profits of department stores in the period from 1936 to 1939, when there was no OPA, before taxes were \$82,000,000 per annum. In 1945, with OPA and all its restrictions and price regulations, the profits of department stores before taxes were \$1,152,000,000.

Furniture—

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BARKLEY. Not now, Mr. President. I should like to complete this list.

Mr. BREWSTER. Would it not be much fairer to give the figures after taxes? When a comparison is made before taxes it presents a distorted picture.

Mr. BARKLEY. Of course taxes have been increased.

Mr. BREWSTER. Enormously.

Mr. BARKLEY. Of course they have been increased during the war, but they have been increased on the Senator from Maine, and they have been increased on me, and they have been increased on everybody.

Mr. BREWSTER. If the Senator is undertaking to give the figures showing what business got, why not show what they actually got?

Mr. BARKLEY. Whenever a figure is given before taxes it means what the industry has charged the American people; what the American people paid into the industry. I have not the opportunity nor the time to calculate what taxes they paid. I would not know. I do not have any access to the Internal Revenue Bureau and the returns of various corporations. But it is a significant fact that in 1936-39 department stores, before taxes, made \$82,000,000, and in 1945 they made \$1,152,000,000.

Furniture, before taxes—and these figures are usually given before taxes, because the average statistician and the average Senator does not have access to the tax record of these various organizations—

Mr. BREWSTER. What are the figures from?

Mr. BARKLEY. They are from the Government of the United States.

Mr. BREWSTER. The Government of the United States certainly has the figures on taxes. If the Senator wants to show the people how well off these organizations are after the Government gets through with them, he should state what their profits were after they paid their taxes.

Mr. BARKLEY. Very well. I appoint the Senator from Maine my agent to find out how much taxes they paid. I cannot find it. A committee writing a tax bill might find out what the tax returns of these corporations are, but the Senator knows we do not have them available to us.

Mr. BREWSTER. The Senator says that the Government of the United States furnished him these figures. The Government of the United States has the other figures also. To give the people of the country a fair picture we should have both figures.

Mr. BARKLEY. The Government of the United States cannot give them to me, and the Senator knows it.

Mr. BREWSTER. It certainly can and does give figures on gross taxes.

Mr. BARKLEY. It gives them to tax committees of the House and Senate.

I do not yield further until I go through this list.

With respect to furniture, the profits in the period from 1936 to 1939 were \$54,000,000 per annum; and in 1945 \$254,000,000. In the period from 1936 to 1939 the figure for hardware was \$21,-

000,000 per annum, for 1945, \$122,-000,000.

The next item is wearing apparel. This is something that will interest Senators. In the period from 1936 to 1939 the profits of the apparel industry were \$117,000,000 per annum; in 1945 they were \$770,000,000.

The profits in the shoe industry, before taxes, were \$30,000,000 per annum in the period from 1936 to 1939, and \$135,000,000 in 1945.

In the 5- and 10-cent category of merchandise, a limited variety of goods, profits in the prewar period were \$34,000,000; in 1945, \$150,000,000.

Let me read something that the National Retail Drygoods Association, through its bulletin of July 3, sent out to all retail merchants in the United States who are members of the National Retail Drygoods Association. This is a long letter, and I shall not read more than a paragraph or two of it. Some of it is not pertinent to this question:

Our check-up indicates that many manufacturers are at present sitting by and watching to see what is going to happen. If retailers advance their prices now, it is a certainty that manufacturers also will advance prices. If retailers stand firm and do not advance their prices there will be an excellent reason why manufacturers also should hold to the level of June 28, until the situation has been crystallized to a point where action may be intelligent. As we wrote the above paragraph—

There is recited a conversation which took place between the writer and a subscriber, or a member of the National Retail Drygoods Association, with respect to certain items. It was decided not to mark them up, notwithstanding the expiration of the law, but to keep prices at the level where they were on the 29th day of June.

Here is another paragraph from the July 3 letter of the National Retail Drygoods Association:

By and large we think manufacturers as well as retailers are displaying a sense of responsibility, but everyone is waiting to see what others are doing. We suggest to you that you have too much at stake to encourage any upward rush of prices by advancing your own prices. After all, very few retailers can honestly claim their profits have suffered at the prices which have prevailed. It is a good investment to keep down your own prices and to resist all efforts to stamper you into paying increased prices.

In other words, the National Retail Drygoods Association, which represents retailers all over the United States, in its bulletin of July 3 says that after all, with all the difficulties, all the handicaps, and all the restrictions, no one in the retail business can honestly claim that his profits have not been satisfactory under prices which have prevailed. Are we in the Senate to say that we know more about the subject than the National Retail Drygoods Association, which sends this bulletin out to its subscribers every week? I do not believe so.

So, Mr. President, it seems to me that the provision in the joint resolution which I have read, and which I shall read again, amply deals with the situation. It is all that the retail trade has any right to expect. It is all that it is asking, so far

as I know. But in order that we may make sure what it is, let me read the provision in the joint resolution:

In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall make due allowance—

I am not wedded to the words "due allowance." I am perfectly willing to change them to "allowance" or "grant," or whatever will make him do it. I thought when we wrote that language that he was to allow whatever was due because of the current cost of purchasing the goods.

That is what I think it means. But it does not mean that, I am willing to use words that will mean that. The Administrator is required to allow the current cost day by day, week by week, and month by month, as the merchant buys his goods, including the increase in material and labor costs. The merchant is to be allowed whatever it costs him to buy the goods in the market, plus the mark-up and discount which he enjoyed on the 29th day of June. The National Retail Dry Goods Association stated that retail dry goods merchants cannot complain of the profits they were making under prices which then prevailed.

If we are undertaking to write a price formula, if we are undertaking to say that the merchant shall charge whatever it has cost him to buy his goods, we ought to say so, and then add as the margin of profit, whether it be a percentage or dollar mark-up, whatever he was enjoying on the 29th of June when the OPA expired.

Therefore, Mr. President, I hope the amendment offered by the Senator from Nebraska will not be adopted. I have the greatest affection for him. I am certain that the Senator from Nebraska cannot love me any more than I love him. I am devoted to him. I think as much of him as I do of any man I ever knew in my life with whom I disagreed as much. I think he is mistaken about this provision. I believe that the provision in the joint resolution is a fair and constructive proposal. I think it would guarantee to every merchant what he pays for his goods, plus the mark-up or discount which he was enjoying at the time the OPA ceased and desisted.

I hope the amendment will be defeated, and that this section of the joint resolution will be agreed to by the Senate.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I notice that the Senator incorporated in the joint resolution a provision on page 22 allowing automobile dealers their peacetime retail trade discounts, and allowing to farm-implement dealers their established peacetime discounts and mark-ups. I do not see why they should be treated differently from wholesalers.

Mr. BARKLEY. The Senator from Ohio is an able lawyer and an able legislator. He knows that the provision with respect to automobiles and farm machinery was written in contemplation of the fact that during the war there was no market, and that we had to go back to the prewar period in order to establish

a standard. The Senator from Ohio knows that. Every other member of the committee knows it. Every Member of the Senate knows it.

Mr. TAFT. That is not at all true. The OPA set a mark-up on the 1st of January. It reduced it three times.

Mr. BARKLEY. There was a mark-up for used cars and second-hand cars. There have been practically no new cars sold since the war.

Mr. TAFT. The OPA set one mark-up on new cars last January. It reduced the mark-up once before January, and once since January.

Mr. BARKLEY. It has also increased it somewhat since January.

Mr. TAFT. In the case of farm implement dealers there was nothing said about the war. In these two cases the Senator has deliberately placed in the joint resolution provisions for the peacetime discounts of those particular dealers. If such discounts are to be provided for those dealers, why should they not be provided for other dealers?

Mr. BARKLEY. In order to arrive at a fair standard we had to go to a normal period, and that normal period was before the war. The merchants to whom reference has been made have been doing business ever since the war started. They were doing business all during the war. We had to establish a standard for them not only during the war, but after the war. That situation did not exist with respect to automobiles or farm implements, because they were not being manufactured to any extent during the war.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. The OPA furnished the figures as to profits which the distinguished majority leader just read. If he will read the figures representing profits in the automobile industry, he will find that last year there was a profit of 225 percent.

Mr. BARKLEY. That was on old cars.

Mr. WHERRY. The Senator stated that there was no business in automobiles during the war.

Mr. BARKLEY. I was speaking about the automobile manufacturing business. During the war automobile manufacturers were making war implements, not automobiles. The farm-machinery manufacturers were doing the same thing.

Mr. WHERRY. The figure of 225 percent represents the profit of the automobile industry, which includes all of the automobile industry.

I was about to point out—

Mr. BARKLEY. Mr. President—

Mr. WHERRY. Mr. President, have I the floor? I shall be glad to yield. I think I am on my own time now.

Mr. BARKLEY. The Senator has had the floor most of the time, even when I thought I had it.

Mr. President, I yield the floor for the time being.

Mr. WHERRY. Mr. President, my admiration for the Senator from Kentucky is just as great as is his admiration for me. I shall be glad to grant him time in my time. I like to yield to the distinguished majority leader.

How inconsistent we are! We are writing a new price stabilization act, and

we are writing it for the producers, the manufacturers, the wholesalers, the distributors, and the retailers. We give the manufacturers and processors one formula, and we give the other three segments a different formula. We say to them, "We are not going to allow you any increases. We are going to allow you current costs." That is in my amendment. Anyone who can read the English language can read it. We allow the current costs. We do not freeze the percentage mark-up with cost absorptions in it. We simply go back to the year 1940—and I did this to please the majority leader. I took the same year he is talking about. Under the new price formula, which will apply to all business, all I want to do is to allow the distributors what they had in 1940, the base period which is used for the manufacturer, the producer, and the processor. The amendment is just as fair as it could be.

If we vote for subsection (t) in the joint resolution, for the first time we shall legalize cost absorption. This is not a price stabilization act with subsection (t) included. It is a profit-control act. It is not price stabilization. We are requiring that the retailer, the jobber, and the distributor take their profits on the basis of the mark-up existing on June 30, 1946, when they were required to absorb three-fifths of the general increases in industry.

I am pleading for the little grocer who runs the corner store. I am pleading for the little automobile man. According to the figures of the United States Department of Commerce, 556,000 businesses went out of existence last year. Why did they close their doors, if they made so much money? I am talking about the small implement dealer who distributes farm machinery to the farmers. I am talking about the men in small business who have been hit, and hit hard.

Are we going to have a new price control which is not price control at all; are we going to turn over to a man by the name of Porter the right to say to a businessman what he may produce and in what volume he may produce it, and then say to these segments of industry, "This is all the profit you can make. You cannot make any more?" Mr. President, if we are to have a price stabilization act with such provisions in it, it will be nothing but a profit-control act. That is no stabilization; and I do not think the Congress should go on record as favoring the creation of a profit-control agency.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield; but I am ready to yield the floor and to vote on the amendment.

Mr. BARKLEY. If the Senator is ready to yield the floor, I shall resume it for a moment.

Mr. WHERRY. Very well.

Mr. BARKLEY. All of us know that we had to make a difference in the joint resolution between the treatment of industries which practically went out of business during the war and the treatment of businesses which continued in operation. That is why we made special provisions as to any industry whose business had been decreased by 75 percent during the war period, which ap-

plies to the farm-implement industry, because those engaged in that industry were making war materials, not farm implements, and the same is true of the automobile industry. We could not find a normal period for either the farm-implement manufacturers or the automobile manufacturers this side of the war period or during the war period. We had to go back to a prewar period in order to find an approximately normal period for them, because when the war began they immediately converted their plants to the manufacture of shells and guns and airplanes and other materials of war. So in order to obtain a fairly normal period for automobile manufacturers and farm-implement manufacturers, we went back to the period before the war.

But retail merchants have been doing business all during the war. They did not go into the manufacture of war materials. They kept selling their goods to the people, on every street corner, in every town and village. We did not have to go back to a prewar period in order to find a normal period for them, because they have gone on making their sales and their profits.

Therefore, we felt, and I feel very strongly, that we should not go back to 1940 as to them, but we should, in addition to granting them the cost or whatever it takes to buy the goods which they put on their shelves, grant them the discount which they enjoyed currently during the war and at the end of the war and during the reconversion period.

That is what this subsection does, and that is all it does.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY], on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

On this vote the Senator from Florida [Mr. ANDREWS], who would vote "nay," is paired with the Senator from South Dakota [Mr. BUSHFIELD], who would vote "yea."

On this vote the Senator from South Carolina [Mr. MAYBANK], who would vote "nay," is paired with the Senator from Indiana [Mr. WILLIS], who would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy. He would vote "yea" if present.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent. He would vote "yea" if present.

The Senator from South Dakota [Mr. BUSHFIELD] is unavoidably detained. He would vote "yea" if present.

The result was announced—yeas 29, nays 46, as follows:

YEAS—29

Ball	Gurney	Smith
Brewster	Hawkes	Stewart
Bridges	Knowland	Taft
Brooks	Millikin	Thomas, Okla.
Buck	Moore	Wherry
Capehart	Murray	White
Capper	O'Daniel	Wiley
Cordon	Reed	Wilson
Donnell	Revercomb	Young
Ferguson	Robertson	

NAYS—46

Aiken	Hill	Morse
Austin	Hoey	Murdock
Barkley	Huffman	Myers
Briggs	Johnson, Colo.	O'Mahoney
Burch	Johnston, S. C.	Overton
Carville	Kilgore	Pepper
Chavez	La Follette	Radcliffe
Downey	Langer	Russell
Eastland	Lucas	Swift
Fulbright	McCarran	Taylor
George	McClellan	Thomas, Utah
Gerry	McKellar	Tunnell
Gossett	McMahon	Wagner
Green	Magnuson	Walsh
Guffey	Mead	
Hayden	Mitchell	

NOT VOTING—21

Andrews	Ellender	Shipstead
Bailey	Hart	Stanfill
Bilbo	Hatch	Tobey
Bushfield	Hickenlooper	Tydings
Butler	McFarland	Vandenberg
Byrd	Maybank	Wheeler
Connally	Saltonstall	Willis

So Mr. WHERRY's amendment was rejected.

Mr. BARKLEY. Mr. President, in order that there may be no cause for misapprehension or misunderstanding with reference to the meaning of the language in subsection (t) of section 10,

I move, on page 24, line 15, to strike out the words "make due allowance for" and insert in lieu thereof the word "allow", so that the language will read, "the Administrator shall allow for the current cost of acquisition," and so forth.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was agreed to.

Mr. STEWART. Mr. President, what was the amendment? I did not thoroughly understand it.

Mr. BARKLEY. The amendment was, on page 24, in line 15, to strike out the words "make due allowance for" and insert in lieu thereof the word "allow." The language would then read "the Administrator shall allow for the current cost of acquisition", and so forth. I think that the amendment improves the language.

The PRESIDENT pro tempore. The joint resolution is before the Senate and open to further amendment.

Mr. PEPPER. On behalf of myself and other Senators I submitted an amendment in the nature of a substitute. If there are other amendments undisposed of at this time, we should like to defer calling up our amendment until they have been disposed of.

The PRESIDENT pro tempore. The joint resolution is before the Senate and open to further amendment.

Mr. PEPPER. Mr. President, I call up the amendment which, in behalf of myself and other Senators, I stated that I would offer in the nature of a substitute for the committee amendment, but before I ask to have it stated I wish to add as additional sponsors of the amendment the names of the Senator from California [Mr. DOWNNEY] and the Senator from Oregon [Mr. MORSE].

The PRESIDENT pro tempore. The RECORD will so show.

Mr. PEPPER. I ask that the amendment be stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Florida on behalf of himself and other Senators will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "February 1, 1947"; and by inserting before the period at the end thereof a colon and the following: "Provided, That the President is authorized, whenever he deems such action to be necessary in the public interest, to eliminate or modify any regulation, order, price schedule, or other control imposed by or under the authority of this act or the Stabilization Act of 1942, as amended."

Sec. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "February 1, 1947."

Sec. 3. The last paragraph of section 2 (c) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations of the Commodity Credit Corporation and the Reconstruction Finance Corporation until February 1, 1947: *Provided*, That no new subsidy or purchase and sale operations shall be undertaken under the authority of this section, and no change shall be made in the basis of any operations existing on June 29, 1946, for which funds are

made available under this section which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

SEC. 4. (1) The provisions of this act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, of the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this act had been enacted on June 30, 1946: *Provided*, That in any case in which the Emergency Price Control Act of 1942 (except secs. 204 and 205), as amended, or the Stabilization Act of 1942 (except secs. 8 and 9), as amended, or any regulation, order, or requirement under either of such acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946 to the date of enactment of this act, both inclusive: *Provided further*, That no act or transaction occurring subsequent to June 30, 1946, and prior to the date of enactment of this act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such acts.

Mr. PEPPER. Mr. President, as Senators observed when the amendment was read, it would strike out all after the enacting clause of the pending joint resolution and would insert new matter. The amendment is sponsored by myself, the Senator from New York [Mr. WAGNER], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from New York [Mr. MEAD], the Senator from Montana [Mr. MURRAY], the Senator from Utah [Mr. MURDOCK], the Senator from Washington [Mr. MITCHELL], the Senator from Idaho [Mr. TAYLOR], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. THOMAS], the Senator from Ohio [Mr. HUFFMAN], the Senator from Connecticut [Mr. McMAHON], the Senator from California [Mr. DOWNEY], and the Senator from Oregon [Mr. MORSE].

The amendment was prepared by the legislative counsel, and the legal effect of it, if enacted into law, would be that the OPA, as it existed on June 30, 1946, would be continued until February 1, 1947.

Mr. President, I ask leave to modify the amendment so as to substitute for the words on page 2, beginning in line 1, and reading: "*Provided*, That the President is authorized whenever he deems such action to be necessary in the public interest, to eliminate or modify any regulation, order, price schedule, or other control imposed by or under the authority of this act or the Stabilization Act of 1942, as amended." The provisions of the committee amendment providing for a Decontrol Board, and all the pro-

visions of the committee amendment relating to the Decontrol Board.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The Senator has a right to modify his amendment.

Mr. PEPPER. So, Mr. President, as modified, the amendment would mean, if enacted into law, that the OPA as it existed on the 30th of June 1946, would be continued until February 1, 1946, with the single exception that there would be established a decontrol board with all the functions and authority of the decontrol board recommended in and provided for in the joint resolution which is now before the Senate. The amendment presents a clear-cut issue to the Senate, and I think that many Senators would like to have an opportunity to vote on it.

We have before us the committee amendment which has been altered in so many respects that, frankly, I can say that it possesses little more virtue, if any at all, than the bill which the President properly and courageously vetoed.

In making that statement, I wish to be distinct in my commendation of the laborious and generous work of the many who have brought the pending measure before the Senate, particularly the able Senator from Kentucky [Mr. BARKLEY], our distinguished majority leader. I do not know how anyone could have labored more diligently and more earnestly for effective price control than has the Senator from Kentucky during the weeks and months which have passed. He has and deserves the commendation of Senators and other Members of Congress, as well as the citizenry of this country who want to see effective price control in this Nation. I wish to be one of those who desire to express their heartfelt appreciation of what our able leader has tried to do and has done. But nevertheless, Mr. President, I am sure that all of us have the feeling that, having decontrolled the various commodities which have been decontrolled by this measure, and having done many other things to which I shall refer in a little more detail in a moment, for all practical purposes we have started vigorously rolling the wheels of a dangerous inflation. We have gone beyond the power estimated and calculated to increase the cost of living of the people of the United States.

Mr. President, we have so disorganized the whole machinery of price control that, in my opinion, it will be impossible, as a practical matter, to remedy it in the committee amendment as amended, which is now before the Senate, and we have done what the President said in his message legitimized and legalized inflation and the high cost of living.

Mr. President, we have had a demonstration during the past few days of whether the many people were mistaken who thought we did not need price control. I am not quarreling with anyone who had a different opinion from mine. This is one of those speculative realms in which no one of us can be too sure he is correct. But, fortunately, we have had a few days of practical experience. As a matter of fact, no one of us would have to read the statistics. All we need to do is to draw on our personal experience and

the experience of our families and close friends in what they have undergone during the past few days.

I have before me a typical letter which came to me from the former Speaker of the House of Representatives of my State, Hon. W. B. Bishop.

The letter was written Saturday night, and in it Mr. Bishop says:

Today Southern Packing Co. placed a price of 8 to 10 cents up on every pound of all types of meat. Neck bones from 7¼ to 14¼; side meat 26¼ to 36¼ cents and so on. A small miller out here gave \$3.75 a bushel for corn—shelling, milling and selling meal at \$1.75 a peck of 10 pounds. On the cash market in Tallahassee corn meal 25 cents a quart. No meal or flour or sugar in most stores. Beef up to 65 cents to 90 cents a pound. Breakfast bacon 52 to 62 cents. All dry goods same way, especially in small stores. Seems they are worse than large stores. Grocery and dry goods—cases quoted are not extreme or rare cases but the average. It also not only affects the few items I have mentioned but the whole field.

I do not know what the poorer classes will do unless there is a change at once.

CLAUDE, I am only passing this on to you for information. For me high prices are fine, for I sell 10 times or more than I buy. But what about the average citizen?

I am not trying to influence you in any way, but think you should know what is happening back home.

Mr. President, the writer of that letter is a man who does not suffer personally. He is well-to-do and sells 10 times more than he buys. But already, by last Saturday night, he was saying, in effect, "I will get along all right, but I wonder what the poor people are going to do." Mr. President, he is just an individual witness.

Here is a summary which was issued by the Office of Price Administration on June 11, and the authorities for the figures which I shall read are the Bureau of Labor Statistics, and the New York Journal of Commerce. The Bureau of Labor Statistics advises that:

A general index of 28 basic commodities shows that between May 17, 1943, and June 28, 1946, over 3 years, there was a price rise in a group of 28 basic commodities of only 13.1 percent.

Between June 28 and July 11 the percentage increase was 16.9; in other words, 4 percent more in a few days than in the 3 years when there was price control:

Mr. McMAHON. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. McMAHON. Does the Senator know that it jumped 4.9 points today?

Mr. PEPPER. It is going up by leaps and bounds with every passing day. I thank the Senator for his contribution.

Mr. McMAHON. It went up in the first 11 days, with no price control, about a point and a quarter a day. We started cutting the bill's throat for fair yesterday and it went up 4.9 today. If we had gone home after the veto, instead of being 14.4, or 18, whatever it is, probably up to 18 and a fraction, perhaps it would have been a good deal more than that.

Mr. PEPPER. The Senator is absolutely correct. It must be remembered that there is the restraint over the people who are studying things of the pros-

pect of an extension of OPA after some fashion, as the Senator has pointed out.

There are 12 foodstuffs listed. In the 3 years of price control foodstuffs went up 14.6 percent, but up until July 11, in the 11 days without price control, they went up nearly twice as much, or 26.1 percent. That does not include what has happened since day before yesterday.

Mr. REED. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. REED. Can the Senator from Florida state what part of this increase in the prices of foodstuffs since the 30th of June was due to the discontinuance of the subsidies which up to June 30 aided in keeping the rise in prices down?

Mr. PEPPER. Mr. President, I have not made a calculation on that point, but it is well the Senator asked the question, and I am glad he did, because the committee amendment provides that subsidies shall be continually and gradually diminished from the date of the enactment of the joint resolution, and shall stop altogether on the 1st of April of next year. I had the figures when we were debating the minimum wage, and my understanding was that there were being paid in subsidies about a billion and a half dollars a year to keep the cost of living down about 8 percent. So that if we take away that billion and a half in subsidies, I estimate the cost of living would go up in some such proportion as that.

The joint resolution not only decontrols all the commodities we know about, which I shall mention in a moment, but, in addition to that, it provides, as the Senator from Kansas has indicated, for the steady reduction of subsidies, and on the 1st of April next year for the cessation of subsidies altogether. So that there will inevitably be a price rise due to that cause, in addition to normal causes.

Mr. TUNNELL and Mr. KNOWLAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield, and if so, to whom?

Mr. PEPPER. I yield first to the Senator from Delaware.

Mr. TUNNELL. I was going to ask the Senator in regard to the subsidy which has just been inquired about by the Senator from Kansas, whether he thought there had been any dropping of subsidies since yesterday, between yesterday and today. I understood from the Senator from Connecticut that there had been a rise between yesterday and today of almost 5 percent. It certainly was not because of a change in subsidies between yesterday and today. If prices are going to keep on rising, is it all going to be charged up to a subsidy that was taken off on the 30th of June?

Mr. PEPPER. The Senator is quite right, the subsidies were off just as much the 1st day of July as they are this day.

I now yield to the Senator from California.

Mr. KNOWLAND. As a matter of fact, will not the distinguished Senator from Florida admit that the bulk of the subsidies were on livestock and dairy products?

Mr. PEPPER. A considerable portion of the subsidies went to those industries, but the Senator will recall that the subsidies went to the articles which were primarily essential, so that when we take off a subsidy we take off the subsidy from things such as milk, which actually composes the diet of the babies and an essential food ration of the people of the United States.

Mr. KNOWLAND. In making a comparison, I think it would be important for the Senate to know whether the increases the able Senator from Florida was discussing were based on ceiling prices of the OPA prior to the lifting of ceilings and the prices now, or whether the figures being used were the actual black-market prices which a great many housewives and other consumers had to pay.

I call the attention of the able Senator to the fact that it does not do very much good to make a fetish out of price control in the field of meat or in the field of butter, if the housewife went into the store and saw on a sign on the store wall that butter could be had for 61 cents a pound, when as a matter of fact she was not able to buy any butter at all. If she went out in the black market she had to pay \$1.10 to \$1.25 a pound for butter.

Mr. PEPPER. Mr. President, I assume these figures which come from the Bureau of Labor Statistics and the New York Journal of Commerce relate to legitimate prices, namely, the OPA prices. I am also going to say to the Senator that with all that has been said about the black market, and as bad as it was, I still have enough confidence in the people of the United States to believe that the masses still substantially observed the law and went by legitimate prices rather than black market prices. So, I think these figures coming from legitimate sources are entitled to consideration.

Mr. REED. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. REED. The Senator from Florida observed, before the Senator from California interrupted him, that the subsidies were paid quite largely to those things which the Senator from Florida termed essentials and, of course, that is true. The subsidy program was applicable very largely to meats and dairy products, with perhaps a few other things included. But let me ask the Senator from Florida a question. When we come to consider the effect of the discontinuance of subsidies on the price level, which is bound to rise as the subsidy is withdrawn, it does not make any difference whether an article is essential or nonessential, so far as the price is affected by the subsidy? I think the Senator from Florida will agree with me.

Mr. PEPPER. Of course. While the question of subsidies is under discussion, let me say that I have never believed that the Government should expect the producers of any commodities, at least essential commodities, to produce them at a loss. I have always thought that if we hold prices down in order to stabilize prices for the masses of the people, we should allow enough in the way of a sub-

sidy to give a fair profit to the producer. But the interesting thing is that the principal Members of Congress who kept subsidies down were those who contributed to the detriment of the producer. In other words, they never would allow two things, they never would allow either sufficient subsidy or adequate law enforcement to prevent the black market, so that the Office of Price Administration was constantly struggling with the problem of holding the line on prices and being fair to producers at the same time, and policing the black market. Congress would not effectively let them do either.

Mr. President, we cannot, therefore, escape our responsibility for a great deal of the disorganization and the chaos and the black market which exist today.

Mr. DOWNEY. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from California.

Mr. DOWNEY. With regard to the question of the subsidy as a factor in the increase in the price of meat, I am reminded immediately of another fact. In the past 10 or 12 days the price of corn has been up about 52 percent, the other grains are also up substantially, and the meat we are now buying at an excessive price was produced with the lower-priced grain. I wonder what the Senator thinks will happen to the price of meat when it is produced by grain that may cost certainly 50 or 100 percent more.

Mr. PEPPER. The Senator of course is pointing to something that is absolutely inevitable. In the first place, let us go back a little and try to see the picture in perspective.

We have had an accumulated purchasing power, been built up during the war, which runs up into billions of dollars for the whole population. During the war there was a shortage and scarcity of goods. In addition to that shortage and scarcity, we have had our armed forces all around the world to feed, and our allies to help provide for. Immediately after the war terminated we had dropped into our laps a major share of responsibility for the famine areas of the world.

So, in spite of our bumper crops and our tremendous production in almost every field, which in many cases represented an all-time record, we had something like an all-time demand, and we had a purchasing power the like of which the Nation had never had.

Furthermore, we created a lot of artificial money, as it were. At the end of the war we had in circulation 3 times the amount of currency as at the beginning of the war. We had 3 or 4 times as much in the way of bank deposits, and that meant bank credit bank money. So that the people had more cash by 3 or 4 times, more money in the banks, more bank credit by 3 or 4 times, constituting the savings of the war, represented by cash and Government bonds. They could not buy automobiles and refrigerators and washing machines and the other things they needed to buy. We had that kind of a market. And yet for production we had the demands not only of our home economy, but from a

great many parts of the world. Then to talk about that being a normal market, to talk about the normal laws of supply and demand in that kind of a situation is completely illogical. Yet here, with the most dynamic economy on earth, instead of, more than any other country, holding tightly the rein on this dynamic horse we were trying to ride, as England and Canada, countries comparable to us, were doing, we began immediately after the war a precipitous release. People said, "Now that we have whipped the enemy, let us get back to the good old doctrine of *laissez faire*." They were a little bit too eager.

They were a little bit like Midas, and many of them wound up like Midas did, by losing all they had rather than keeping what they possessed. But we started on a mistaken policy of decontrolling too soon after the war was over and it was the Government's fault for yielding to the demand of short-sighted and selfish people. I am not criticising the motive of the Government. The Government, and especially the President, were trying to accommodate the Government's policy to the demands of the people. That shows that sometimes, just as in the case of a good doctor, we have to do what is best for the patient instead of what the patient always wants done for him. If the Government had been an honest doctor for the people it would have stood adamant and said, "No. We cannot afford to release these controls until conditions become more stable. If we do, it will ruin us all, Government and citizens alike. A depression here will contribute to another depression in the world, as did our last depression contribute to a world-wide economic catastrophe."

But, Mr. President, we did not do that. We started to decontrol very rapidly, and then we tried to back up and reverse ourselves. That is just the trouble one always has when one tries to stop and start in the other direction again. So it took a long time to try to regain the ground we lost in the first precipitous effort to decontrol the economy immediately after the war. Ever since that time Congress has been plagued, the Government has been plagued, we have all been hounded day and night to take off controls on everything that any one was interested in who wanted to make more money.

To hear some people talk about it one would think they were suffering more than the boys who were in the far-off battlefields of the earth. To hear such people talk one would not think that the boys without faces in Walter Reed Hospital were the ones who were suffering from the war. One would think it was the individuals who were selling something or making something from the war who were the real victims of the war's hardships. What we should have told them was, "Of course, there are some hardships incident to the war." There are many of the boys who did not come back from the war. There were boys who came back almost dead; there were many boys who lost their faces, their arms, their legs, and some whose minds will never return to them again. Many will have to pay the price for war, but we are trying to give the producers of the

country a soft postwar conversion period.

Mr. President, in doing that we have of necessity thrown the burden from them to the masses of the people. I think I can demonstrate to the satisfaction of anyone that that is the inevitable result of the profit-for-everybody measure which is now pending before the Senate.

Before I get away from it, I want to give the Journal of Commerce daily index figure on 30 sensitive commodity prices. In the 3 years since price control from May 17, 1943, to June 28, 1946, the percentage increase was 15.8, but between June 28, 1946, and July 10, after price controls went off, the prices rose 14.3 percent, and between June 28, 1946, and July 11 the percentage increase was 15.3 percent. No doubt the comment of the able Senator from Connecticut [Mr. McMAHON] would be applicable, that since the 11th of July prices have already risen several percent more. As the Miami Daily News says in an editorial on July 11, "We have seen nothing yet," in connection with all these price rises. We are just beginning to see the first impulse of the situation that I tried to describe a little while ago.

Mr. President, what have we done to the committee amendment that is now before the Senate? In the first place, we have decontrolled meat, poultry, eggs, fish, fats and oils, dairy products, and grain.

We did not decontrol the byproducts of grain, but everyone knows that flour is a product of grain, and that if the price of grain is increased the price of flour will likewise increase, and as the Bible says, even a "wayfaring man" knows that if we increase the price of flour we add to the cost of bread. So what have we done? We have increased the price of bread, we have increased the price of meat, we have increased the price of all dairy products, increased the price of poultry and all poultry products, and those items constitute a considerable part of the diet of the American family.

I have here some estimates which were sent over to me today at my request from the Office of Price Administration. Here are some of the estimates they made about what would be the effect of decontrols we have already effected.

Cereals and bakery products, 15 percent rise. That will add about \$300,000,000 a year to the consumers, they estimate.

The red-meat decontrol will add about 40 percent, or about \$2,500,000,000 to the budgets of the people of this land. The other day the able Senator from Idaho read into the Record an Associated Press dispatch from the Washington Evening Star. It said that the price of meat in Chicago was the highest in 81 years—\$23 a hundred. The Associated Press dispatch estimated that the price would rise to \$30 a hundred, because the writer saw nothing that would prevent it going up to that figure.

Poultry it is estimated will increase 17 percent, or add \$200,000,000, to the bill of the housewives of the country.

It is estimated that eggs will go up 5 percent, and add \$100,000,000 to the consuming public.

Fish will go up 25 percent, adding another \$100,000,000 to the consuming public.

Fats and oils will go up 30 percent, adding another \$300,000,000.

Dairy products will go up 24 percent. Incidentally one can find in almost every newspaper from one's own State that the price of dairy products is being raised by the dairy industry. A rise of 24 percent in the cost of dairy products will add \$1,200,000,000 to the consuming public.

There again I may say that I know that in many parts of the South the dairy industry should have had a larger subsidy than it had. It was not fair to throw many dairymen out of business as was done. But the fault was not with price control. The fault was that Congress would not allow a sufficient subsidy to give the dairymen a decent return and to keep prices down for the consuming public.

Mr. President, OPA sent me these figures before grains were decontrolled. The total was an average increase of 18 percent, and the total increase to the consuming public over the next year, \$4,700,000,000.

Mr. President, that means that we have added \$4,700,000,000, to the bills of the public, and I will take the OPA estimates as quickly as I will take the estimates of anyone. I am not one of those who think that everyone connected with the OPA is a crook and a thief and a scoundrel. The character of the men in the OPA, I dare say, would rank well with the character of Members of Congress elected by the people of this great land. Therefore, I have no hesitancy to quote these figures and the source from which they come. I say therefore that what we have been doing in the last few days is taking from somebody and giving to someone else.

The question I want to ask is, Has that been in the public interest, this robbing Peter to pay Paul? I tell you, Mr. President, Paul is a great deal better off than Peter in this case. I shall be able to show in a little while how the producers and processors and manufacturers have been coming out, and then how the masses of the people of the country fare in our economy.

We have also decontrolled petroleum, and OPA estimates the price of petroleum will go up 15 percent. That will add another \$750,000,000 to the bills of the people. The \$4,700,000,000 I have just mentioned related simply to food. That did not include grains, which we decontrolled the latter part of the afternoon. Incidentally, I was sending out my mail this afternoon, and I came to a confirmatory telegram to a gentleman in my State, saying "Reed amendment was defeated yesterday." I just wrote down at the bottom, "But passed today." It is a good thing that we stopped when we did, or even the enacting clause of the measure, no doubt, would hardly be recognizable.

Mr. President, we have done something else. We have eliminated what is called the maximum average price regulation, about which we have heard a great deal of protest. What was the maximum average price regulation? It was simply a requirement by the Gov-

ernment that a manufacturing concern, for example, which in peacetime had been manufacturing a line of goods, cheap goods, middle-class goods and higher-class goods, could not stop making the middle-class goods and the cheap-class goods, simply to profit from the making of expensive goods.

The manufacturing concern had to preserve a pattern something like the base pattern that they followed in peacetime in a normal period. So that the people who have to buy cheap clothes would have some clothes within their reach. That has been eliminated, Mr. President. Now a manufacturing concern can quit making all the cheap clothes and all the middle-price clothes and make nothing but the higher-priced clothes, because in the markets of today there will be a sufficient number of rich and well-to-do to buy the high-priced clothes. The whole theory of this decontrol plan is "The devil take the hindmost," and that, of course, includes the poor.

Furthermore, we have upset a regulation which the OPA has had in effect for some time in respect to such articles as automobiles, washing machines, refrigerators, radios, and that class of goods. Under the present regulation dealers have been required to diminish their peacetime margins. Suppose an automobile dealer made, we will say, \$300 on a Chrysler automobile in peacetime. He has been required to cut back a part of that normal peacetime profit, and reduce it to \$200, for example. He complains about that. He says, "That is too little. I cannot operate my garage."

But he is told, "In a little while you will have the largest sale of automobiles you have ever had. In a little while you will make up for the smaller margin in the total sales you will have." The obvious reason for the imposition of that requirement was to try to keep the prices of commodities down for the consuming public.

Some will say, "Let only the rich people buy automobiles." All of us who have been in many foreign countries know that that is the situation over there. If one goes to the great capitals in foreign countries, he finds that no one but a rich person ever considers owning an automobile. But this is America. A man can make a living with a low-priced car. We have adjusted our whole standard of living to the automobile. A man may live at the edge of town and go to work in his car. The automobile is not a luxury for the rich in America. It is almost a necessity for everyone. Consequently more automobiles are owned by the people of the United States than are owned by the people of all the rest of the world. Yet some are disposed to let only the rich people of this country buy automobiles for the next few years. The prices of automobiles, refrigerators, washing machines, and radios have been increased by the elimination of the provision of which I spoke a moment ago.

I have already mentioned the fact that we have decontrolled tobacco and woodpulp.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CAPEHART. I agree wholeheartedly with what the Senator has just said about foreign countries, in respect to poor people being unable to buy automobiles. But I am wondering if it is not a fact that in our country the poor people have been able to buy automobiles, not under OPA, but when we did not have an OPA. The only time in the history of the Nation when they have been unable to buy automobiles has been during the time when we had an OPA.

Mr. PEPPER. Yes. That was due to the fact that the automobile companies were making tanks, airplanes, and other things with which our men were winning the war.

Mr. CAPEHART. Why does the Senator say that there are those in this country who would like to see only the rich buy automobiles during the next 2 or 3 years? The Senator has said that the reason the people cannot buy automobiles today is that the manufacturers are unable to manufacture them.

Mr. PEPPER. I am not aware of having said that.

Mr. CAPEHART. Why does the Senator accuse anyone of not wanting the poor to buy automobiles?

Mr. PEPPER. I am not accusing anyone of that. I am saying that every time we raise the cost of an automobile we narrow the class of people who can buy one. The amendment of which I spoke a moment ago would add considerably to the cost of automobiles.

Mr. CAPEHART. The fact is that we have developed in this Nation, under a free competitive system, the highest standard of living in the world, under which the poor people, as the Senator so ably stated, are able to buy automobiles, refrigerators, radios, and other things. The poor man in this country is a king in comparison with people of many foreign countries. All many of us are trying to do is to return this country to the free enterprise system, under which the poor man can be a king, and can buy washing machines, radios, refrigerators, and automobiles. That is all in the world we are trying to do. Yet we are forced to sit here tonight and listen to a great mass of figures which mean absolutely nothing. The facts speak for themselves. All one has to do is to take a look at the standard of living of the people of this country and travel the world over, as the Senator has done and as I have done, and compare it with the standard of living of other people. There is absolutely no comparison. Let us get back as soon as we can to the system which gave us the highest standard of living in the history of the world.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MYERS. Mr. President, it seems to me that in due time we should each buy a little American flag, and every time the words "free enterprise system" are mentioned, we should all rise and wave that little American flag.

Let me say to the Senator from Indiana, with respect to automobiles, that whenever any one of us buys an automobile today and there is a trade-in of an old car, the dealer makes a real profit. There has been a reduction in his dis-

count or mark-up, because OPA took into consideration the fact that automobile dealers are making more money from used cars than they ever made before. The Senator knows that to be so.

I can remember the time when 500 or 600 automobile dealers from all over America held a meeting in the caucus room in the House Office Building. I went to the meeting. When I returned to Philadelphia, afterward, I met some of the dealers who were present at that meeting. They said, "We were kidding. We are doing very well today; but we are worried for fear that perhaps 2 years from now the automobile manufacturers will not give us back the same mark-ups."

So this talk of free enterprise and the competitive system is becoming rather amusing. Everyone believes in them and is for them. And I am endeavoring to preserve them but I doubt if the proponents of these decontrol amendments know what they are doing. Let me congratulate the Senator from Florida. He is the first Member of this body, I believe, to offer an amendment which would really help the consumer. Every other amendment that has been offered to the committee measure has been an amendment to give the manufacturer, the retailer, or the wholesaler, a greater profit. But only the Senator from Florida, as I recall, has offered an amendment which would give the American consumer a real break.

Mr. PEPPER. I thank the able Senator from Pennsylvania. It must be remembered that he is one of the authors of this amendment.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CAPEHART. I agree with the Senator from Pennsylvania that what we should do is to get down on our knees and thank the Almighty that we have had a free enterprise system in America for the past 165 years. It has been that system that has made us the greatest Nation in the world. It was that system which enabled us to produce the materials of war with which we won the last Great World War as well as World War I.

I, for one, would like to see every school in America opened each morning by thanking God that we have the system under which we live, and that we do not have the system which the countries of Europe and other countries have. I think it is a splendid idea. I know of nothing of which I am more proud than I am of our American system. The Senator from Pennsylvania may be tired of listening to talk about the free enterprise system; but I rather suspect that our allies are grateful for the system which we have in this Nation, under which the materials of war which stopped the Nazis were produced.

Mr. PEPPER. A President of France who was a very great man is supposed to have said upon one occasion that war was far too important a subject to be left entirely to the generals. Let me say that the private-enterprise system in this country is far too important a subject to be left in the hands of those who think they represent private enterprise, because they would be the first ones to destroy it. The short-sighted advocacy

of free enterprise by many persons would doom it to inevitable destruction. The best proof of that statement is the situation which we now face. I claim that those who are trying to hold this country together, who are trying to keep it from exploding from within because of internal pressures, are the best friends private enterprise has in America, just as I claim that Franklin D. Roosevelt was the best friend private enterprise had in America, while he was being condemned by some of the very ones who came to him as crouching supplicants, and after they became strong enough threw their crutches at him.

If we remove the controls from our economy private enterprise will be ruined and this Nation will be condemned, of necessity, to totalitarian control. The last depression brought the stringent requirements of the early days of the New Deal. If we go through another depression, it will be many times worse than the last one. If we have another inflation such as we had in 1929, the New Deal will seem very mild compared with the administration which will follow. It will show us something about the totalitarian economy, which will be a necessity to keep the Nation from going into utter dissolution, as we threatened to do the last time at the depth of the former depression.

If the proponents of this measure succeed in placing it upon the statute books they will be condemning America and their fellow citizens to another depression, another 1929—and this time it is around the corner. In addition, just a little further along the unhappy way will be another 1932.

From the most reliable estimates which I have been able to obtain, I learn that the last depression cost this country \$350,000,000,000—more money than all the wars in our history have cost us. We talk about lost man-days from strikes. How many man-years of production were lost in America by 40,000,000 or 50,000,000 people at one time or another? That gives us an idea of how much we suffered from the last depression.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAYLOR. Was the loss of those man-days during the depression in any way caused by the workers of America?

Mr. PEPPER. Distinctly not. They have always been the victims of cruel, heartless, economic forces from which their Government alone can save them if they are to be saved at all. What we are trying to do here today is to save millions of Americans from being crushed between the upper and nether millstones of the conditions which we see rushing toward us, and only by such effective controls can we hope to accomplish that.

Mr. President, I was speaking about some of the things the pending measure will do. One of the things it will do, for example, is to put rent control back into the hands of the several States. I think everyone agrees that rent control should be continued. I do not believe I have heard one Senator on this floor indicate that he does not favor rent control. I think even the able Senator from

Wyoming [Mr. ROBERTSON] offered an amendment just a little while ago proposing to do away with all other controls save rent controls. I have heard other Senators who did not favor any other controls say that we must have rent control. Yet what have we done in this committee amendment? We have said that if and when a State certifies to the OPA that it has a State law or that it has taken over the subject in the State, the Federal Government can no longer function in the field of rent control. But we have made that provision without laying down any standards, without waiting to see how effective the State rent control may be, without waiting to see whether the State administration is really disposed to enforce it or not.

Mr. President, I believe in local self-government in all proper cases. But I remember that the Constitution of this country provides that all persons born or naturalized in the United States are citizens of the United States and of the several States in which they reside. There is a dual sovereignty in this country, composed of the Federal Government and the State governments. If we let a State, for example, take over rent control, how do we know whether it will not do what the able Senator from New Jersey proposed in his amendment, namely, raise rents 5 percent every 90 days? That would mean that the cost of living would be increased for every family that lives in a rented home. That would mean that just that many more people would have the burden of an increased cost of living thrust upon their already burdened backs.

Mr. President, in addition to that, I have already mentioned the fact that under the committee amendment, subsidies are to be taken off altogether the 1st of next April; and by the direction of the amendment, subsidies must be steadily diminished between now and April. In this amendment we have provided for increased compensation for hotels, especially residential hotels, if not transient hotels as well.

Moreover, Mr. President, we have practically assured everyone in our economy who produces and processes and manufactures increased profits over what he enjoyed in the past. That is done, according to some, in the name of increased production. They say that is the only way to obtain greater production.

I have before me some figures from the Federal Reserve Board. They give a comparison between the 1939 index of production, which was before the war started in Europe, really, and the average index of production from January to May 1946, and then the percentage of increase in production from January to May 1946, as compared with the period in 1939. Here is what we find. For all industries, the average 1939 index of production is 109. The average index for January to May 1946, is 161, or a 48 percent increase. Yet we are told that it is impossible to obtain sufficient production, although we have obtained 48 percent—almost 50 percent—greater production in the first part of this year, under the OPA, than we had with the free economy of 1939.

In the manufacturing industries the index in 1939 was 109. From January to May 1946 it is 167. The percentage of increase is 53 percent.

For the durable-goods manufacturing industries the index was 109 in 1939. It was 171 in the first part of 1946, or an increase of 57 percent.

In the non-durable-goods manufacturing industries the index was 109 in 1939 and 163 in the early part of 1946, or a 50-percent increase.

In the mineral industries the index was 106 in 1939. It went up to 123 in the period January to May 1946, or an increase of 21 percent.

Let me make another comparison. In 1919, right after World War I, there was a 17-percent increase in industrial production as a whole. I believe the increase in 1946, has been, on an average, 48 percent. Nineteen hundred and forty-six is the first year after World War II. In other words, after World War I, we had no controls, and in the first year after that war our index of production increased 17 percent. But after World War II, with the OPA, our production increased up to 48 percent. Does that prove that the OPA has stifled production as compared to what it would have been in a free economy? In most newspapers, Mr. President, we see large advertisements by big companies which are trying to give the impression that they are not going to increase prices, because they know that if the process once starts, one increase in prices will be the lever for another, and there will be no stopping the process.

What about agricultural production, Mr. President? From 1914 to 1919, let us say, there was a decrease of 8 percent in production. That is to say, there was 8 percent less production in 1919 than there was in 1914, insofar as crops raised in the United States were concerned. But by 1946, agricultural production had reached a 20-percent increase over what it was in 1939. In the case of grains, in 1919 the increase over 1914 was 9 percent in. In 1945 the increase over 1939 was 53 percent, and so on. So, Mr. President, the argument that we have not been obtaining production either in the factories or on the farms, with the OPA in existence, does not hold water.

Let me give one other figure. This was commented upon in an editorial published the other day in the Washington Post. In April 1946, the number of people employed in the United States was 56,900,000. In 1939 we had only 54,230,000 employed persons. In April of 1946 we had only 2,350,000 unemployed, whereas in 1939 we had 7,300,000 unemployed persons in the United States. How can we have very much reduction in production in America when we now have the largest number of employed persons this country has ever known, except for the peak days of the war, and when the number of unemployed persons has been constantly decreasing?

Mr. President, so much for production upon the farms and in the factories. So much for the labor force of the Nation.

Now I wish to say something about some persons who are not being pro-

vided for in this committee amendment. I wish to talk about the Peters whom we are robbing to pay the Pauls whom we are accommodating by this measure. I wish to tell my colleagues who some of them are, and let them decide whether they are willing to take more from these people in order to give more to the people who will profit by this measure. Naturally, Mr. President, I begin by referring to the veterans.

On May 31, 1946, there were in the United States 2,046,032 veterans receiving veterans' assistance. They were veterans from all our wars. In addition to those 2,046,032, there were 22,990 emergency officers of World War I who were receiving Government payments, the total number being 2,069,022.

Mr. President, those are the men and perhaps some women who have fought our wars and now are drawing pensions from the United States Government. The average annual rate of all compensation payments to our soldiers of all our wars who are receiving pensions was, for the fiscal year 1945, \$546.35. The average monthly rate was \$45.53. Think of that, Mr. President. The average soldier who served his country in our various wars and who now is living and receiving a pension received \$45.53 a month, and in the case of many of them that is all they have—that little pension check which comes in every month to them. We are going to add 5 percent, 10 percent, 15 percent, 20 percent—we know not how much—to the cost of living of those pensioners of the United States Government who fought our wars in our long past and are now alive.

Mr. President, from World War I, from service-connected disabilities, the men who bear the wounds of war are receiving \$44.59 a month. That is the average pension. The average pension paid to men who suffer from non-service-connected disabilities is \$38.07. If we adopt the committee amendment, Mr. President, we shall be taking money from the wounded war veterans of America, because adding to the cost of living is the same as cutting down their monthly checks. By adopting the committee amendment we shall be taking money from the wounded veterans who sacrificed for the Government and people of the United States and placing it into the already swollen-from-profits pocket-books of the vast number of producers and processors and manufacturers. I cannot believe that, upon serious reflection, the Senate, which wishes to do the right thing, will allow that to happen. The First World War wounded veterans who suffer from non-service-connected disabilities have been receiving an average pension or compensation payment of \$38.07.

Mr. HUFFMAN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HUFFMAN. Is it not also a fact that the veterans are in the greatest need of housing of any group of persons throughout the Nation?

Mr. PEPPER. Of course.

Mr. HUFFMAN. Will not the pending joint resolution, as amended, increase immensely the cost of living?

Mr. PEPPER. Of necessity it will, because lumber, for example, is one of the articles which has been decontrolled. Not only that, Mr. President, but the veterans—

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. Under what amendment is lumber decontrolled?

Mr. PEPPER. What was the effect of the amendment which was offered by the Senator from Arkansas [Mr. McCLELLAN]? I know that it had to do with lumber, but I thought that it was specifically for the purpose of giving to the lumber people more money.

Mr. TAFT. No; I think the Senator will find that the amendment does not affect lumber in that way.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I see the Senator from Oregon on his feet and he is a lumber expert. I am glad to yield to him.

Mr. MORSE. No, Mr. President, I am not a lumber expert, but in view of the fact several times today I have heard it said in the cloak room that the lumber amendment of the Senator from Arkansas was a decontrol amendment, I think it would be well to make it clear that the amendment was not one to decontrol lumber.

The amendment sought only to credit the lumber operator with the true market value of his timber, particularly stumpage. At the present time an owner of timber has his production costs figured on the basis of the book value of the stumpage. If he bought his timber 20 years ago at \$1, and the going market price today is \$3.50 per thousand, OPA allows him only \$1 for stumpage in calculating his production costs. It was pointed out last night that such a situation in figuring production costs is clearly not fair to the lumber owner. For example if the man across the road is receiving \$3.50 on the basis of the present market value because he bought his stumpage which he manufactures into lumber at present market values, the man who bought his stumpage 20 years ago for \$1, should receive credit of \$3.50 for his stumpage when OPA comes to figure his production costs. If the OPA goes back into existence, the pricing policies of OPA will still be applicable to lumber just as they existed before the President vetoed and rightly so the bill recently passed by Congress. The only change will be that provided by the McClellan amendment relative to allowing present market values in computing lumber-production costs.

Mr. PEPPER. Mr. President, I believe that I was inaccurate in saying that the amendment decontrolled the price of lumber. But does not the Senator believe that the inevitable effect of the amendment will be to increase the price of lumber because of taking into account a different stumpage basis?

Mr. MORSE. I believe there will be an increase in the price of lumber and other commodities, because the effect of the pending bill in its present form will be to increase the cost of production all along the line. There will be an escalator

effect, and before the Senator completes his speech, I want to ask him a few questions with regard to some of the effects of the joint resolution. However, I quite agree that if the pending joint resolution is signed by the President of the United States, we will again be doing what would have resulted through the bill which the President vetoed, namely, increasing the cost of living for 140,000,000 American people. I believe that we are already beginning to pave the way for a boom and bust period with all the cruelties that are bound to result from another depression.

Mr. PEPPER. I thank the able Senator very much for his observation.

Mr. President, I wonder if Senators know how many GI's are in schools and colleges under the GI bill of rights? The figures which I have received from the Veterans' Administration show that in May there were 925,926 in schools and colleges. Nearly a million men and women who served this country in war are now trying to go to school. Some of them have been out of school for 3, 4, and 5 years. How much money are they receiving, Mr. President? Single men are receiving \$65 a month, and married men are receiving \$90 a month. I believe that each one of us would like to see as many of those boys marry as can do so. Yet, \$90 a month is what a GI's is expected to live on if married. Just think of it, Mr. President, \$90 a month. What are we doing to that \$90 a month? We are adding to the cost of the living of those men and women. We might just as well reach down into their pockets and take out so many dollars each month from the \$90 which they are now receiving.

Every Senator knows that the facts are exactly as I am stating them. Yet, Mr. President, do any of those earnest advocates of more profits for the producer, more profits for the processor, and more profits for the manufacturer offer any amendment to increase the figure of \$65 a month to some larger figure? We would put more money into the pockets of the big farmers, the big manufacturers, the big wholesalers, and the big retailers, but would take money from the GI's who are trying to go to school.

I know of case after case of boys who have said it was almost impossible for them to go to school on what they are now receiving. Why should Senators want to add to the present burdens of those GI's by decontrolling the articles which they must buy and thereby increase the prices which they must pay. Do Senators really want to treat soldiers in that manner?

Here the GI's stand on one side with their \$65 and \$90 a month. There is a boy, for example, who fought at Guadalcanal. There is another boy who fought in other parts of the world. Each of them contributed his share toward the victory which our country won. Over here stand the fellows who will get their profits. If all of them stood before us and we could see them, would Senators want to take from the soldiers and give to the others?

O Mr. President, I know there is some hardship here and there, but, in public affairs we must balance hardship against hardship. When we are shedding crocodile tears for the manufacturers, for the processors, and for the producers, it is strange to me that so many of us tend to forget the millions who are not exerting any pressure upon us, but are waiting and trusting the American Congress to deal with them justly and fairly.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. DOWNEY. I wish to say that I vigorously applaud the eloquence of the Senator in portraying the conditions of our veterans who are attempting to go to school on \$65 a month, and the affect which increases in the cost of living will have upon the small incomes which the GI's are receiving under the GI bill of rights. But I should like to hear the eloquent Senator tell us something about the conditions of pensioners and the retired workers throughout the country, who, under old-age insurance, are receiving an average of \$24 a month, and under old-age assistance are receiving an average of approximately \$26 a month. I wonder what Senators, who contemplate happily an increase in the cost of living of 25 or 50 percent, think will happen to the persons now living on those meager incomes.

Mr. PEPPER. Mr. President, I thank the able Senator. He is chairman of the Civil Service Committee, and knows whereof he speaks.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KILGORE. I have been very much impressed by what the Senator from California said, because I know of States in which the pensioners and retired workers receive as little as \$16 a month.

Mr. President, I wish to make clear the fact that we are not taking anything away from the manufacturers and the processors, except more profits. On the other hand, from the soldier group and the pensioner group we are taking food. We are not taking profit, but we are taking food which would otherwise go into their bellies. That is one fact to which the Congress must wake up. We are not taking something from anyone except anticipated profits. When we fail to hold the price scale we are taking the means of living away from millions of people.

Mr. PEPPER. I thank the Senator from West Virginia.

Mr. LANGER. Mr. President, the Senator from Florida has complained because of the fact the GI's receive only \$65 a month while being enrolled in colleges. He has stated that no bill has been introduced to increase their compensation. I therefore, introduce a bill to increase the subsistence allowance for veterans to \$100 a month, who do not have dependents, to those who have dependents, \$125 a month.

Mr. PEPPER. I thank the Senator.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2434) to increase the subsistence allowances for veterans receiving educational benefits under the Servicemen's Readjustment Act of 1944, as amended, was read twice by its title and referred to the Committee on Finance.

Mr. PEPPER. Mr. President, I know that the Senator, because of the way he feels, will vigorously support our amendment when the Senate votes upon it.

The able Senator from California referred to persons who were receiving public assistance. My figures are slightly higher than those given by the able Senator from California. They may be somewhat excessive, but I have tried to err on the side of conservatism. According to the information which I have received from the Social Security Board, 2,099,000 persons in the United States are receiving old-age assistance. The average monthly payment received by those people is \$31.39. What Senator does not know of some old man, some old woman, trembling, tottering toward the grave, waiting every month until that little pension check comes, to be able to pay the meager expenses for their pitiful livelihood? That is all they are getting, \$31.39, and that is an outside figure. Yet we are going to take a part of it away and give it to the beneficiaries of the pending measure.

Mr. DOWNEY. Mr. President—

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Florida yield to the Senator from California?

Mr. PEPPER. I yield.

Mr. DOWNEY. What are the figures the Senator was just giving?

Mr. PEPPER. The figure I had was the average monthly amount received, \$31.39, by the 2,099,000 receiving old age assistance.

Mr. DOWNEY. Mr. President, the Senator's figures are very wrong. The average benefit under old age insurance—

Mr. PEPPER. I am coming to that. I am distinguishing them.

Mr. DOWNEY. That figure is \$23.50. 50 percent of that amount is added if a man has a wife, and the average is \$36. In old age assistance it is about \$27 or \$28 to the single person, and double in case they are married. I have no idea of the way the Social Security worked out the figures the Senator has just given.

Mr. PEPPER. At least the able Senator will agree that I was on the high side and not the low side.

Mr. DOWNEY. I think the figures are very much too high.

Mr. PEPPER. The recipients of pensions for the blind, 73,000 in the country, average monthly \$33.95. Yet we are going to add to their cost of living. Is there any Senator who, if he had a blind man or blind woman on one side, and the processors and producers and manufacturers on the other, would take 1 penny out of the cup of the blind person? Yet that is what we are doing of necessity if we pass the pending joint resolution and add to the cost of living.

The total number of children who receive pensions is 726,700. The number of families with children drawing pen-

sions is 307,000, and they get \$53.65 a month.

The recipients of general public assistance number 283,000, and the average amount is \$33.26 a month.

The Senator from California has mentioned old-age insurance benefits. We all know that that means a benefit which a retired worker gets if he retires at the age of 65, I believe it is, or that his widow and/or children get if he is a worker and he dies. Remember, he has been paying into the fund, generally, for a period of time, and perhaps for a large part of his life.

There are 617,600 primary beneficiaries under the system, and the average payment for each is \$23.50 a month. That relates to a worker without dependents. The total number of wives getting benefits is 188,700, averaging per month \$38.50 for worker and wife.

The total number of children getting benefits is 15,200, and they receive \$40, in the case of a worker and one or more children, no wife.

The total number of children getting survivors' benefit is 411,100, the average monthly receipts are \$22.90.

The total number of parents—that is, old, dependent parents who are living on what they get from a deceased son, for example, who was covered by the insurance system—is 6,600, and they receive \$14.10 a month.

Mr. President, there are many faithful Government workers who have done their duty by their Government and are retired. I have the figure of 93,000 as of May 1946, and they were receiving \$81.30 a month.

In the railroad retirement beneficiary group, receiving pensions for old age, there are 179,800. That means railroad men who have reached the age of retirement, most of whom are living on their pensions. They receive \$68.67 a month. We give more to General Motors, to Chrysler, to Ford, we give more to the big wholesaler and retailer, we give more to the big producers and the big processors, but we are not going to do anything for the retired railroad worker who gets \$68.67 a month, or his survivors, who gets \$33.86 a month.

Mr. President, I have some figures which give summaries of what the income levels of the people are. In 1944, according to the figures of the United States Treasury, 67,300,000 were the recipients of incomes, out of 140,000,000.

Do Senators realize how many of those make an annual income, according to the United States Treasury, of less than \$1,000? Twenty-one million six hundred thousand out of sixty-seven million, nearly one-third of all the people who were the recipients of income in rich America in 1944, made less than \$1,000 a year.

Twenty-four million four hundred thousand made less than \$2,000 a year; that is, less than \$40 a week. Think of that, 24,400,000 people making less than \$40 a week, or, stated another way, about two-thirds of all the people who were the recipients of income received on an average less than \$2,000 a year, or less than \$40 a week. Yet those are the people

who are going to have to bear the greater part of the burden of this benefit that we are conferring upon the processors, the producers and the manufacturers, the distributors, and dealers of this country.

I shall not proceed further, except to say that 12,200,000 of our people were making less than \$3,000 a year; 6,700,000 were making from \$3,000 to \$5,000 a year; 1,800,000 were making from \$5,000 to \$10,000 a year. Only 500,000 were making between \$10,000 and \$25,000 a year. Only 100,000 of all our people were making \$25,000 or more a year.

Yet I venture to say that the majority of the profits accruing from this joint resolution, coming out of the pockets of the masses, will go into the pockets of people receiving the highest incomes under the scale of income to which I have referred. Mr. President, that is what the effect of the measure will be. We are taking the money from the masses of the people and giving it to the few who need it least.

Now these are the last figures I wish to give. It is said we have to do something for the producers, the manufacturers, and the processors, but I have some figures as to that. There were 200 durable goods manufacturers who in the first quarter of 1946 had a deficit of \$26,000,000. Now I wonder if Senators are thinking about the effect of the carry-forward carry-back tax law. If those people lose, they can draw back from the United States Treasury, from the excess-profits taxes they paid during the war. So, before we shed too many tears for the 200 corporations which have had a little loss in the first part of this year due to the interruption to production, a good bit of which was their own fault, because they were trying to break the labor unions, we should look at the carry-forward carry-back tax law and see how much money they will draw back for their loss from the United States Treasury from the excess-profits taxes they paid during the war.

Now, Mr. President, 100 nondurable goods manufacturers had a profit of \$192,000,000 after taxes. In other words, they had an increase of 23 percent in the first quarter of 1945 over the previous quarter, and there were 25 miscellaneous services which had a profit after taxes of \$40,000,000. They had an 80-percent increase.

The net of it is, therefore, that 325 companies had profits after taxes of \$208,000,000.

Of the 25 miscellaneous service groups, 13 trade corporations earned \$29,000,000 before taxes, \$24,000,000 after taxes, or 61 percent and 166 percent, respectively, above the 1945 level.

The increase in the profit, after taxes, for the nondurable manufacturing group, and for the miscellaneous distributors' services, is due in large part to the lowering of taxes.

The decline in profits for the durable goods industry was occasioned by the decline in production because of strikes.

Mr. President, I come now to the conclusion of my remarks.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Massachusetts.

Mr. WALSH. It seems to me that the difficulty with this whole problem has been the consciousness upon the part of most American people, including business people, that we should strive to achieve prosperity and avoid inflation. That has been their slogan: "Achieve prosperity, but avoid inflation."

Mr. PEPPER. That is correct.

Mr. WALSH. I ask the Senator, Is there any way to avoid inflation except through price control?

Mr. PEPPER. It is utterly impossible except by price control. There is no way to avoid inflation except by keeping in check these forces until we arrive at a period of sustained stability. Someone will say, "Well, will we ever get out of this control?" Mr. Bowles laid down a standard before the Senate Committee on Small Business of having a few months, he said 6 months, relative stability before we take off price control. He said if we could go along for a while and hold prices in check, worry along, as it were, put up with all the hardships and irritations and annoyances of controls, as burdensome as they are to the people of America, to get through this period of reconversion, until things begin to become more and more stable and finally level out for a few months, then he thought that we could safely remove the controls, and the change-over would not be so severe.

Mr. President, instead of doing that, the advocates of decontrol want for all practical purposes to take the lid off. They want to open Pandora's box.

The only control left in the measure, for all practical purposes, is that when the supply and the demand come into something like equilibrium, then the control shall be taken off. In the first place, what is meant by equilibrium between production and demand? If automobiles were sold at \$10,000 apiece, demand would be one thing. But if automobiles were sold at \$100 apiece demand would be another thing. How can one talk about equilibrium and balance without fixing a price standard? Yet, Mr. President, there is not one word in this committee amendment saying that even if equilibrium between supply and demand was reached, the Administrator must not remove control if in his opinion the effect of removing controls would be substantially to increase prices. So, Mr. President, there are relatively no controls in this measure.

The second thing, and the last I wish to say, is that the decontrolling of all food products is taken exclusively out of the hands of the Administrator of OPA and put into the hands of the Secretary of Agriculture. What are the pressures going to be on the Secretary of Agriculture? Every farm group is going to want to make more money. They are going to want to obtain an increase in sales prices. They are going to press the Secretary of Agriculture and he is going to feel that he is not primarily representing the consumer. The tendency will be therefore to yield to that pressure and the food prices, the prices of the

essentials of living for the people of the country steadily rise and rise and rise.

Mr. President, there are many people out in the country who are waiting to see what we do here in the Senate. Many people feel that they have suffered hardships. They want correction of the abuses they have suffered. I wish correction of all abuses could be accomplished without detriment to the great mass of the people. But I want to ask the Senate to remember when it votes, that the mute millions who are not saying a word, but just waiting and trusting the United States Senate to do right by all the people of the country, still will not believe until they see it and feel it that we are willing to take money from the poor people of the country to further increase the already swollen profits of the rich. They believe that at least we on this side of the aisle who profess to be the party of the people are going to prove it when we vote.

If the Senate will adopt the amendment we have offered, which will continue price control as it was on the twenty-eighth of June until the first of February, it would allow a decontrol board to decontrol, meanwhile, anything that should be decontrolled, and then by February first there will be a new Congress, the whole House of Representatives will have been elected again, and a third of the United States Senate. We will have spent weeks and perhaps months at home with the people so we will see at first hand something we have not had a chance to see, and that is where the people themselves are.

I believe, Mr. President, that upon reflection it would be better for all concerned, after weighing the good and the bad of OPA as it was when it expired and weighing the good and the bad of the committee amendment, if it should become law, to, as Hamlet said, "bear those ills we have than fly to others that we know not of."

Mr. President, I hope the Senate will adopt the amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MORSE. First, I want to commend the Senator from Florida for the analysis he has made of this problem tonight in what I think is one of the most extraordinary speeches that have been made during the course of this debate. I particularly want to commend the Senator for the social and human values he has stressed in the course of his remarks. After all, when this debate is over and the people are faced with the greatly increased cost of living, which I believe will confront them if we take off practically all controls, as in effect we are really doing, I think the people are going to take note of the fact that during the course of the debate there were at least some in the Senate of the United States who did not lose sight of the social and human values involved in this great problem.

A question which I want to ask the Senator from Florida is whether or not he agrees with the junior Senator from Oregon that there is a relation between

inflation in the United States and stable international conditions throughout the world. Does he agree that in this new one world in which we now live we cannot have economic instability in this country and hope to develop the necessary world trade that must be developed if we are going to have a stable world?

Mr. PEPPER. Obviously. For example, we have decontrolled grain, and yet a considerable part of our grain has been going abroad to relieve the famine in the world. We have either got to appropriate more money to pay for it ourselves, or if the time ever comes when the people in the famine-ridden countries of the world begin to pay for it, they, of course, can buy less with a given sum of money at the higher prices.

Mr. MORSE. In other words, the Senator agrees with the junior Senator from Oregon that if we raise the level of prices in this country in order to gain for American producers and manufacturers what amounts, I think, and what will prove to amount to be exorbitant profits, it is to be expected that other countries of the world will not be able to purchase very much from us at inflated prices.

Mr. PEPPER. Yes; that is to be expected.

Mr. MORSE. They will have to buy less from us, or else we will have to make gifts to them in order to alleviate their suffering; instead of helping them through the orderly economic processes of sound international trade free of inflationary prices.

Mr. PEPPER. I thank the Senator very much. I do not know whether the Congress is going to authorize a loan to Great Britain or not. Suppose it does. We are simply diminishing the value of the money that we loan to them if we raise prices in America, because we would expect them to spend a major part of the money in this country. We made a loan to France, I believe through the Export-Import Bank, which did not have to come through the Congress. I believe we loaned them approximately \$1,500,000,000. If prices rise in the United States we will either have to let them have more money or we will expect that they cannot buy from us what they ought to have, and that will tend to disorganize the economy of the world.

Mr. MORSE. Another question: Does the Senator agree with me that, as we try to analyze the psychological forces that have produced this great demand upon the Congress to take off controls, part of the reasoning that has been adopted by those who have insisted on the elimination of OPA has been the argument that after all the great surplus purchasing power existing in this country should be drained away from our people by inflationary prices? They note that the banks are bulging with money; that the pockets of millions of people are filled with money; and that being true, they argue that we ought to give them an opportunity to spend their money, even though they have to pay prices all out of proportion to value received. Does the Senator agree that those who are demanding the abolition of OPA are in many instances motivated by a desire to make inflationary profits?

Mr. PEPPER. Undoubtedly so.

Mr. MORSE. Of course, that has always been pretty much the psychology of the profiteer. If he sees an opportunity to commit an economic rape upon the economy of the country he has the tendency to do it.

Mr. PEPPER. Yes.

Mr. MORSE. But has the Senator heard any proposals on the floor of the Senate for an increase in the tax structure so that we can take a part of the excess purchasing power into the Treasury of the United States and apply it to the payment of the national debt, and thus protect the stability of the American dollar?

Mr. PEPPER. Mr. President, as the records of the Senate show, there have been some sporadic suggestions of that character from individual Senators, but the only official action the Senate has taken so far as I am aware is to reduce the taxes as they were being paid during the war.

Before we get away from that subject, I wish to say a word further. When the Senator spoke about the profiteers wanting to get at the great fat pocketbook of America, I thought he was going to refer to the figures used recently by the Federal Reserve Board that two out of every five American families had total liquid savings of less than \$40 a family. It is said that we have a great deal of money in America, and that if we will only turn things loose so that the people can buy, they will buy the shelves empty and the factories dry. But the Federal Reserve Board says that two out of every five American families have less than \$40 on hand in cash, Government bonds, and every other form of liquid assets. They will not buy much with their \$40. The three out of five will buy more, and the top 1 percent will buy a great deal; but the bottom two out of five will not buy much with their \$40, and with their average income of less than \$40 a week.

Mr. MORSE. Mr. President, will the Senator yield for two more questions?

Mr. PEPPER. I yield.

Mr. MORSE. Does the Senator from Florida believe that if he and I were to introduce a tax bill which would seek to increase, on the basis of ability to pay, the tax income of the Federal Government, we would get many more votes for such a bill than he will get for the substitute which he has offered?

Mr. PEPPER. Patrick Henry once said that the only guide for the future was the lamp of the past; and the lamp of the past in that respect is not casting a very bright gleam toward the future.

Mr. MORSE. I was somewhat facetious about the last question, but I am in dead earnest about this one:

As the cost of living goes up, which I think will be inevitable upon the passage of the pending measure, to a percentage between 20 and 30 percent, in my judgment, does the Senator think it will be very long thereafter before the workers of America will proceed with the next movement in the great inflationary cycle, by instituting a Nation-wide demand for increased wages?

Mr. PEPPER. It follows as the night the day that we shall have industrial strife again if we upset all the wage agreements which have been entered into in the course of the past few months,

agreements which were predicated on the cost of living as of the time when the agreements were made. Let me refer to what was brought out in the debate recently, that contracts have now been entered into in all the major industries of the country for another year—in the automobile industry, the coal mines, the railroads, the meat-packing plants, the electrical industry, the oil industry, and others. The major industries have entered into yearly agreements. A little while ago it was stated—and events are proving it every day—that we had practically got through the period of industrial strife. New yearly agreements have been entered into. The maritime situation is relatively settled. It has been stated on the floor of the Senate that if we did not disturb the standard of living of the workers and did not upset those agreements, we could look ahead to a period when production would really begin to flow out of the factories of the country; and just as the flow is about to begin, what do we do in the Congress? Instead of protecting the agreements which management and labor have entered into, we cut the very foundations out from under them, and throw them into the turmoil of necessary modification, unless the American worker is willing to see his children have a poorer diet on their table than they otherwise would have. Most American workers will not take that lying down.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MORSE. Does the Senator from Florida agree with me that when the Nation-wide wage movement—which I am sure will flow from the type of action which I think the Senate is about to take on the OPA bill—does occur, various propaganda machines will once again accuse labor by attempting to convince the people of the country that labor will have been the cause of the inflation, rather than the Congress, when it took off price controls?

Mr. PEPPER. If we are not careful some of us will be the offenders. If some of the workers talk about striking, we shall say, "The time has come to stop these strikes."

I do not like to state it as a fact, although it is my belief that it is true, that if we had held the line immediately after the war there would have been many fewer strikes than we had during the past 12 months. I very much respect the opinion of the able Senator from Oregon, because he was a distinguished member of the War Labor Board, and he knows the facts in this field probably better than does any of us.

Mr. MORSE. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. MORSE. I do not always find myself in agreement with the Senator from Florida. I find myself in almost complete agreement with him tonight, although I suppose he will not be in agreement with me on this point. However, his latest remarks lead me to believe that perhaps he has come over to the point of view that one of the greatest mistakes made since VJ-day was the President's wage and price speech in October,

1945, because it was very causative from the standpoint of inflation.

Mr. PEPPER. The only way we can save management, labor and the public is by holding the economy in relative balance and equilibrium until the normal forces can again become vital enough to maintain the system in relative stability and equilibrium. Therefore I hope that the Senate will see fit to adopt this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks statements by a large number of Nationwide organizations on this subject.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SEVENTEEN NATIONAL ORGANIZATIONS SUPPORT
SIMPLE RESOLUTION FOR CONTINUANCE OF
PRICE CONTROL

Senator PEPPER today introduced a statement on the floor of the Senate subscribed to by the 17 national organizations, which stated:

"The whole economy of our country has been threatened by the reckless slashing of price control. In human terms, the threat is aimed at every housewife and her family; in human terms, the certain inflation will strike most cruelly at the millions of American families who have incomes of less than \$40 a week; at the 7,000,000 persons on fixed pensions, nearly all small; at the children of the low-income families who spend nearly half of their incomes on food. Speaking for more than 40,000,000 persons who are represented by members of labor, veterans, churches, women's and consumers' organizations, we call on Congress to pass the Pepper-Wagner resolution providing for retention of price control unchanged until February 1, 1947, when a new Congress that will reflect the people's wishes and needs will be able to legislate. We endorse the efforts of all the Senators who joined in sponsoring the resolution.

"American Home Economics Association; American Association of University Professors; the National Council of Negro Women; Consumers Union of the United States; American Veterans Committee; Congress of Industrial Organizations; the National Farmers' Union; the Independent Citizens Committee for the Arts, Sciences, and Professions; the League of Women Shoppers; the Southern Conference for Human Welfare; Union for Democratic Action; Methodist Federation of Social Services; United Christian Council for Democracy; the National Congress of Parents and Teachers; the National Congress for Colored Parents and Teachers; the National Women's Trade Union League; the National Association of Jewish Center Workers."

These organizations met with other organizations jointly as part of the Emergency Committee To Save Price Control, on Wednesday, July 10, 1946. In addition to the organizations which have specifically subscribed to the above statement, the following organizations, through their representatives at the meeting, urged continuance of price control.

American Association of University Women, League of Women Voters, American Federation of Labor, Jewish Welfare Board, National Council of Catholic Women, National Council of Jewish Women, National Association for the Advancement of Colored People, General Federation of Women's Clubs, National Federation of Settlements, National Urban League, National Citizens Political Action Committee, New Council for American Business, National Federation of Telephone Workers' Unions, National Consumers League, National Lawyers Guild.

Because of the shortness of time, these organizations were not able to subscribe officially to the above statement.

Mr. DOWNEY. Mr. President, I shall detain the Senate for only a brief time. I wish to speak in support of the pending amendment.

It is my opinion that the Senate now has its last opportunity to save itself from a tragic mistake, and the country from a great disaster. There are many groups in my State which would have applauded me had I joined in the decontrol amendments of the past few days and secured for them exemption from price control. However, I feel that the interests of the American people transcend those of any particular group. However, I believe that the measure about to be sent to the House is so destructive of our general economy that in the end it will bring disaster even to those who temporarily profit by special exemption.

The distinguished Senator from Oklahoma [Mr. MOORE] read into the RECORD on Monday many well-meant promises from leading business organizations that they will do all in their power to prevent runaway prices. I understand that similar pledges were made over the air on Wednesday night by leading industrialists, on a radio program sponsored by the National Association of Manufacturers. I applaud these good intentions. I doubt no one's good faith and sincerity; but I call attention to the fact that while these very promises were being made the New York Journal of Commerce price index covering 30 basic commodities climbed two and one-half times as much as it had risen in the previous 3 years.

Since then prices have moved still higher. The index of basic commodities of the Bureau of Labor Statistics for yesterday showed prices up 16.9 percent since price control ended; or 3.8 percent more than the total rise since President Roosevelt issued the hold-the-line order, back in April 1943.

Recently the newspapers have been full of advertisements by retailers promising that they will not move their prices up until they have to pay more for the goods they sell.

The trouble with all these promises, Mr. President, is that the retailers, and even the manufacturers, do not control the situation. When corn prices move up—and they reached an all-time peak yesterday, more than 50 percent above prices when controls went off—the prices of hogs and fed cattle have to follow them up. When the prices of hogs and fed cattle move up—and cattle reached an all-time peak yesterday—the price of meat has to go up. The packing houses cannot prevent it, whatever their good intentions. And when the wholesale price of meat goes up the butcher shops have to charge more. It all comes out of the public in the end, and no one's good intentions can prevent it from happening.

The idea presented by the distinguished Senator from Oklahoma that business competition will hold prices down if only we will pass the ball to business is proved false by what already

has happened to prices. The rise in basic commodity prices already is frightening and we have seen only the beginnings of the coming inflation. Think of it, Mr. President. Within less than 2 weeks the price of flour has gone up more than 42 percent; the price of hides has increased more than 51 percent. The price of corn has gone up 55 percent.

Manufacturers still are selling goods made of price-controlled materials. Wholesalers and retailers still are selling goods bought at controlled prices. There has been almost no movement of several basic commodities—sellers and buyers holding off to see what will happen to OPA. It will be many months before the full force of inflation will spread through the whole of our economy; even longer before price increases are reflected in wage increases and wage increases are again reflected in price increases.

Of one thing, however, we may be absolutely sure. The wind of higher prices already is beginning to blow in gale proportions and clouds are whirling up on the horizon with cyclonic power. No assurances given by businessmen can prevent the hurricane from striking the Nation, since economic forces and not good intentions are involved. The only power that can possibly save us from the tornado is that of the United States Government. Yet the Senate proposes to deny the people the protection the Government can give.

Mr. President, the amendment of the Senator from Florida offers us the last chance to save ourselves from this tragic mistake. I sincerely hope the Senate will avail itself of the opportunity.

The joint resolution in its present form leaves Congress in the indefensible position of pretending to protect the American people from inflation, yet giving them no protection on their purchases of the three foods most important for maintenance of human life: Meat, bread, and milk. If prices of automobiles go too high, people have some protection; they can walk or drive the old car a little longer. Purchases of radios, refrigerators, and washing machines can also be deferred until prices come down to reasonable levels. But in the purchase of bread, milk, and meat the people are at the mercy of the market. So the Senate decided to protect them on their purchases of automobiles, but to decontrol the foods which are essential to life.

Mr. President, I am reminded of the remark of Marie Antoinette, when she was informed that people were crying for bread. "If they can't get bread," she is reported to have said, "why don't they eat cake?"

The Senate, in effect, is telling the American people that if bread prices run away from their buying power they at least can take a ride in their price-controlled automobiles, if they can afford to buy one.

If that is our program, Mr. President, we had better abandon all price control and turn the full force of the tornado loose upon the American people. Then, at least, they will know they are to have no protection and, if they have any, may

run for their cyclone cellars. Then, too, none of us who kill price control will be able to tell voters at the next election that we voted to keep OPA alive. The people have a right, on so important an issue as this, to know just where their representatives stand.

We are told that there will be a flurry of rising prices, following the end of price control. Then production, with which OPA has interfered, will get under way and after that, demand and supply will take care of prices. This raises four very important questions:

First: How long will the flurry of rising prices last?

Second: How high will it carry prices?

Third: Will free market pricing really give us more goods?

Fourth: At what level of production will free market pricing bring demand and supply into balance?

Mr. President, how long price rises will continue, if controls are not renewed, no one can predict with accuracy. We have only this to go by: After World War I, prices increased for a period of 18 months. The sharpest rises came in the thirteenth and fourteenth months after the armistice. The rise in the thirteenth month was 8.9 percent on a 1914 base; that in the fourteenth month, 10.7 percent. That gave a combined rise of almost 20 percent in 2 months. With inflationary pressures far greater now than they were in 1919, it is safe to assume that prices will go on rising for many months, even though the rise in the first week without price control exceeded that of any postwar monthly rise in 1919 or 1920.

It is equally impossible to predict the extent to which prices will rise if controls are not restored. It is safe to estimate, however, that the rise will not be less than the 45 percent which wholesale prices rose after the armistice of World War I. It may be greater, since pressures this time are greater. Even such a rise, however, will put pensioners, workers' groups, and other persons with fixed incomes in a punishing squeeze.

Groups working to end price control have insisted so often and so loudly that price control has seriously hampered production that they appear to have convinced a considerable group of people, even some of our distinguished Members of the Senate. The facts, however, are a complete denial of those claims. Never under free market pricing did we achieve the remarkable production records reached under price control. The fact that during the war we left far in the rear all previous production records, both for manufactured goods and for agricultural products, may perhaps be explained on the grounds of the universal desire to win the war. There is, however, no such explanation for the fact that this year also, with no war to win, we are far ahead of prewar production.

Farm production in 1945 was approximately 25 percent ahead of 1939 levels, and the Secretary of Agriculture has just announced that agricultural output this year will at least equal that of any previous year.

In industrial production the figures are even more startling. In spite of the fact that in the first half of 1946 we had some

of the most paralyzing labor disputes in the Nation's history, industrial output in the first 5 months of the year ran 61 percent ahead of that for the first 5 months of 1939. And preliminary indications are that in June, with the worst strikes behind us, we topped all previous peacetime production records. It impresses me as decidedly absurd to assume, without proof, that the system which in 1939 gave us 61 percent less production than we now enjoy can, if turned loose in our economy, give us more than our present record-breaking output. Frankly, it just does not make sense.

In 1939, 14,700 business concerns failed. It is to be assumed that they had considerable difficulty producing or otherwise serving the public. Competitive pricing seemingly was rather rough on incompetent firms. Now, if any firm cannot produce because it is going bankrupt, OPA is said to be hampering production. Let me tell you, Mr. President, that last year, according to Dun & Bradstreet, only 810 business firms failed, under OPA, in the whole United States. Examination of the record so far this year indicates that failures for the year are not likely to exceed 1,000. That is less than one-fourteenth the number that failed when free market pricing in the last prewar year supposedly helped production.

The recipe of free market pricing to encourage production in a postwar inflationary period is not new. We tried it in 1919. What happened? Industrial production rose to a magnificent peak 17 percent above that for 1914, the last prewar year. With industrial production now 61 percent above output for 1939, the last prewar year of World War II, we are advised to cure our production ills by the recipe which lifted production only 17 percent in 1919. To me, it does not appear to be a likely aid to our present outstanding production record.

The trouble with runaway prices as an aid to production is that they lead inevitably to inventory hoarding and maldistribution of short supplies of materials and parts. Small and moderate sized producers, particularly, find their production hampered. Total output suffers. At any rate, with no controls and runaway prices, production was relatively poor in 1919. With controls and steady prices, it is far better in 1946, this war's first postwar year. We have nothing to learn from 1919, save to avoid its fatal pitfalls.

We have heard a great deal about how price control has kept the American people from getting much-needed meat. Here are the facts from the official records of the Department of Agriculture. From 1935 to 1939, free-market pricing gave the American people an average of 16,200,000,000 pounds of meat per year. In 1945, under price control, packers gave the American people 22,900,000,000 pounds of meat—a gain of 41 percent. Does that sound as if price control had hampered the production of meat?

The distinguished Senator from Nebraska [Mr. WHERRY], who introduced the amendment to decontrol meat, has told you that we have a record number of cattle in the country. He is right. On an average from 1935-39, under free-

market pricing, there were 31,402,000 beef cattle in the country. During the war, under price control, the number grew to 40,931,000—a gain of 30 percent. The Senator told you there are that many cattle. He did not emphasize the fact that the extra nine and one-half million were acquired under price control.

He claimed, however, that under price control the people are denied meat they had a right to expect, considering the great number of cattle. What he failed to tell you is that although the beef cattle population is up 30 percent, beef production for the year, according to the Department of Agriculture, is expected to run 41 percent ahead of prewar levels. In other words, we are showing a greater gain in beef production and consumption than in beef cattle. Last year we slaughtered 289,000 more beef cattle than we produced. That doesn't sound to me like a failure of meat production.

The distinguished Senator complained about so much of our meat going into what he calls the black market. I am sure he did not intend his claims to mislead the Senate or the public; but there is grave danger that they will do so unless his use of the term "black market" is clearly defined. The public, I fear, thinks of black-marketeers as gangs of racketeers moving into the meat packing business, as they moved into the liquor business during prohibition days, buying cattle away from legitimate packers and selling to the public at exorbitant prices. It needs to be understood that critics of OPA are now using the term "black-market" in quite a different sense.

From time immemorial some unscrupulous dealers have shortweighted their customers. If they do so now, the distinguished Senator from Nebraska classes the meat as being sold in the black market. From time immemorial other unscrupulous dealers have sold customers inferior grades of meat and have charged them for better grades. Now, if a dealer does that the Senator classifies the meat as being sold in the black market. From time immemorial unscrupulous dealers have in trimming meat left on too much fat or bone. If a dealer does that now, opponents of OPA classify the meat as being sold in the black market. If a dealer, having bought meat from Swift, or Armour or any other packer complying with regulations, decides to take an illegal mark-up, and charges a cent or two above legal ceilings, the meat is considered to be sold in the black market. I do not object to anyone's definition of what is black market meat, if it does not mislead the Senate or the public. I only want it understood just what is being classified as black market.

Mr. President, in that connection let me say that all the arguments which have been made in reference to black-market meat have been based on the statistics furnished by the American Meat Institute. That report merely showed that they found that 80 percent of the retailers were from time to time, to a greater or lesser extent, in connection with a greater or lesser amount of beef, overcharging their purchasers to a degree which it is claimed equaled a total of 20 percent of the meat being sold by

the retailers. The OPA very vigorously and emphatically claims that the 20-percent figure is an exaggeration. But regardless of the accuracy of that figure, almost all the talk about black-market meat is based on the claim that retail stores from time to time have been chiseling and gouging their customers.

Mr. President, it is untrue that a bunch of racketeers have seized control of the meat industry. In 1945, meat production in plants daily checked by inspectors of the Department of Agriculture broke all previous records, and reached a peak 42.7 percent above average production for the free market period 1935-39. In the first quarter of 1946, even with the big packing plants closed down for 2 weeks by strikes, output of Federally inspected plants was on an even keel with last year's production. It was not until the second quarter of 1946 that this entirely favorable situation changed, and then it changed while there were in effect the same price regulations under which records were broken in 1945 and in the first quarter of 1946. The change came when the big packers decided to make a drive to break price control, and received encouragement from Congress, and when, as the President had warned would happen, producers began to hold their animals off the market in the hope of getting higher prices if control was ended. If anyone is responsible for the recent withholding of animals from the market and the resulting meat shortage, it is the enemies of price control in Congress, who did not follow the President's advice, but blocked early decision on price-control legislation. To blame it upon OPA is the height of absurdity. To claim now that the sudden flow of meat to market is due to the ending of OPA is equally absurd. The Senator from Nebraska very well knows that withholding of animals would come to an end the minute Congress decided its price-control policy.

The Department of Agriculture warns, however, that the present flow of animals to market is abnormal and cannot be expected to continue. It warns of continued shortages ahead.

Mr. President, we have just sent great quantities of our grains abroad. Grain reserves are at a dangerously low level—at the lowest point in years. Severe competition for our limited supplies of grains, between cattle feeders, hog producers, dairymen, poultry and egg producers, and millers and cereal producers is inevitable. Grain prices are certain to rise and meat prices are bound to follow them up, unless price controls are restored.

The wholesale prices of foods already are up 26 percent, and are continuing to rise. I do not think the American people are going to be fooled by unwarranted claims about the extent of the black market or the amount of black market overcharges. They know what they paid 2 weeks ago for food. They know what they are being charged now. They will know what they are asked to pay 30, 60, and 90 days from now, and in November, when they go to the polls.

We have heard a good deal about price control and dairy-product production. What the enemies of price control have

failed to state is that in spite of difficult feed and labor problems, milk production is 13 percent above prewar levels, when prices were fixed in a free market. The distinguished junior Senator from Wisconsin in his discussion failed to tell you that production of every dairy product, but butter, is far above prewar levels. Compared with average 1936-39 production, these are the gains: Cheese, 58 percent; dried and evaporated milk, 88 percent; ice cream, 102 percent; fresh liquid milk and cream, 57 percent. Only butter is down in production, being 43 percent below prewar levels. Mr. President, there are entirely reasonable and proper explanations for that situation, although I do not desire to digress from my main theme to discuss butter now.

Mr. AIKEN. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Vermont?

Mr. DOWNEY. No; I prefer not to yield, if the Senator from Vermont wishes to speak about butter.

Mr. President, the junior Senator from Wisconsin also failed to state that before the war, free market pricing gave dairymen \$2.17 per cwt. for milk, when used in fresh liquid form, but only \$1.15 when used to make butter. He did not tell you that under price control, payment for milk for fresh liquid use rose 81 percent, but that payment for milk used for making butter rose 187 percent, putting butter in a far more advantageous price relationship than it held before the war. Only the extraordinary increase in the demand for fresh liquid milk and milk in other forms prevents us from getting all the butter we can consume. There has been no failure of milk production.

The Senator also neglected to tell you how much more profitable dairying is now than it was before the war. The Department of Agriculture, by a study of the income-tax returns of dairy farmers, determined that the net income of the typical dairy farmer of southern Wisconsin was 72 percent greater in 1945 than it was in 1941. It determined that the net income of the typical dairy farmer of central New York State was 126 percent greater in 1945 than it was in 1941. In both cases net income is measured after deduction of all costs, including depreciation. Since 1945, milk prices have been increased by approximately 60 cents per hundredweight, estimated to more than cover increased costs. Certainly prices which yield dairy farmers 72 or 126 percent greater net profits than they got under free-market pricing before price control was established, can hardly involve hardship or be discouraging to production.

Now that price controls are removed from dairy products, there is not an additional dairy cow in the country or an extra quart of milk. Butter may soar in price, to cut in on consumption of milk in other forms. If milk prices soar—and seemingly the rises of from 2 to 5 cents a quart already made will prove only a beginning, for it is difficult to see how milk prices can avoid following grain prices upward—it is highly questionable if the public will continue to drink as

much fresh liquid milk as is now being consumed.

This brings us to our final question: At what production level will demand and supply come into balance, if price controls are not reestablished?

When prices soared 45 percent after World War I they outran the public's ability to buy. Demand dropped off, and the Nation's economy went into a tailspin. The production level at which demand and supply finally came into balance brought disaster to all groups in the population. It turned corporation earnings from \$5,896,000,000 in 1919, into a loss of \$55,000,000 in 1921. In 5 years it sent 106,000 business firms into bankruptcy.

For labor it was equally disastrous. Thirty-one percent of the Nation's factory workers lost their jobs. Unemployment increased in 2 years by 5,600,000.

Farmers were hit hardest of all. Demand and supply of farm products came into balance at such a low level that average farm operator income fell from \$1,360 in 1919 to \$460 in 1921. In the next 5 years 453,000 farmers lost their farms through mortgage foreclosures.

As a people we are consuming today far more foods than we used before the war. Then we used 126 pounds of meat per person per year, now we are using 145 pounds. Then we drank 150 quarts of fresh milk a year, now we are using 220 quarts. Then we ate 298 eggs per person per year, now we are using 371 eggs. Does any Senator think that our ranchmen, dairy farmers, or poultry raisers will be better off if prices again run away and reduce consumption to prewar levels?

The truth is that in a postwar inflationary period, and no one will deny that present inflationary pressures are very great, free market pricing always causes runaway prices. They rise and rise until they outrun the ability of the public to buy the quantity of goods being produced. Demand then falls off, and demand and supply come into balance at a level that spells disaster. It happened after the Civil War. It happened after World War I. It will happen this time, unless the Government eases its way out of controls by letting rising supply offset pressures of demand before controls are lifted.

I presume there are persons who are opposed to free enterprise and would like to see price controls made permanent. I know none such personally and certainly I am not one of them. I want free market pricing restored as soon as it can be done without dangerous inflation. But I can see no sense in heading straight into a gathering tornado. If the Senate sends over to the House the bill drafted on the Senate floor, we shall be in for runaway inflation, followed by collapse and depression. Already, with a 17 percent rise in the prices of basic commodities in 10 days, the upward movement is under way.

In voting for the resolution of the Senator from Florida the Senate has its last chance to repair a tragic mistake. If we do not grasp it the people of the Nation are going to pay a monstrous price for our blindness and our folly.

Mr. President, the time to save ourselves is today, and the way to do it is to continue the operation of OPA for the coming year as we have had it for the past year.

Mr. TAYLOR. Mr. President, I do not intend to take much time at this late hour. However, I feel that the time has come for us to stand up and be counted.

The OPA as it now exists, or fails to exist—I do not know which would be the best description—is absolutely inadequate, in my estimation. The only hope of any effective price control is for those who believe that it would be better for us to control prices temporarily and taper off, and prevent a wild inflation, to support the amendment offered by the distinguished Senator from Florida.

Mr. President, I should like to say that I feel that undue emphasis has been placed upon black-market prices. Personally I can say truthfully that I have had no dealings whatever with black-market commodities at any time, in any way, shape, or form, and certainly being a Senator, and drawing a Senator's salary, I am in a far better position to deal in the black market, if I were so minded, than are millions of other Americans. So I think that there must be a great majority of our population who have had no dealings whatever in black markets, and all this talk about black-market prices is absolutely irrelevant when we talk about price controls.

Earlier in the evening the able Senator from Indiana [Mr. CAPEHART] suggested that we get back to the system that made America great. I wonder if upon closer analysis what he really meant, although he may not consciously realize it, was that we should get back to the system advocated by Herbert Hoover, which almost ruined America—I should like to use stronger language if the rules of the Senate permitted it—the rule of dog eat dog and devil take the hindmost. I was out with the people at that time, and I was one of the underprivileged about whom President Roosevelt spoke, to be perfectly frank about the matter. In those dark days, when Mr. Hoover was exemplifying rugged individualism for us, I have heard farmers and businessmen say, "We are not going to stand for this much longer. We will get some guns and start doing something about it."

Mr. President, I am fearful that if we kill price control—we have practically killed it, it is dying—if we permit it to die, our private enterprise system, which Senators on the other side of the aisle so vociferously champion, may be on the way out.

Mr. President, I admit there was a time in my life when I had very serious doubts about our private-enterprise system. I was not a Socialist, because I had never read a book by a Socialist, Eugene V. Debs, or anybody else. I was not a Communist, because I had not joined the Communist Party, and I had not read any Communist literature. I had studied a great deal about economics, and, frankly, I had come to the conclusion that private enterprise was pretty much

of a failure, as it was back in those dark days of 1932.

During the war I got a job in a defense plant. I had to work for wages, something I had not done for many years. It was on cost-plus, and when I saw the waste and inefficiency, when I saw that if I had been able to exercise my own initiative and use whatever brains I had I could have done the job in a half or third or fourth of the time, yet, because of cost-plus, I had to string it out and make the job last, so that the boss could collect the plus while I ran up the cost, I decided that probably private enterprise was a pretty good thing. But I had been much happier when I was in business for myself and did not have to chisel, could really turn in an honest day's work. I decided it would be a good thing if possibly my sons could also enjoy the privilege of going into business for themselves and escaping cost-plus.

So I can truthfully say to the American people, to the voters of Idaho, that I think that if those who practically own our system of private enterprise body and soul will be satisfied with a reasonable profit, and distribute sufficient purchasing power to those who do the actual work so that they can buy the products of private enterprise, we can make it work wonderfully well, better than any other system. I stand here tonight ready to fight for it to the last ditch, and I accuse those who champion private enterprise the loudest, and at this moment are trying to scuttle price control to allow unconscionable, unreasonable, ungodly profits to the self-appointed lords of private enterprise. They are the ones who are consciously or unconsciously—the rules of the Senate forbid us to question the motives of our colleagues, so I say consciously or unconsciously—trying to scuttle price control.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. CORDON. I am not quite sure I understood the Senator. Am I correct in my understanding that the Senator makes the statement that during the war there were contracts on a cost-plus basis from which the contractor received more money for the job if the cost of it was greater?

Mr. TAYLOR. Oh, absolutely.

Mr. CORDON. Mr. President, it may seem strange for a Member of the Senate on this side of the aisle to rise to the defense of the Democratic administration, which was in charge during the war, but I believe in the interest of truth it should be done. I may say to the Senator that I am reasonably certain that no contracts were let during this war in connection with defense operations which were on a cost-plus basis, but that the contracts were in truth on what has been known as a cost-plus-fixed-fee basis, the fee being fixed in advance, the only method provided in the contract for the contractor to get more than the fixed fee being in a case where he expedited the time of delivery; that is when the time element was involved. I believe that is correct, and if I am not correct I should like to have the Senator iden-

tify the case, because I desire later to check that particular contract, if one exists.

Mr. TAYLOR. I know that it was cost-plus-a-fixed-fee at least, and it did not make any difference how much the cost was; if the contractor could not obtain the labor he needed otherwise, he could get the labor from some other contractor, pirate the labor and pay the laborers a higher price, and then he would receive his profit just the same, no matter what it cost to do the job.

Mr. CORDON. Then I understand the Senator now does not contend that it was a cost-plus contract under which the contractor received more money if he spent more money to do the job?

Mr. TAYLOR. Well, that may not have been, although it was my understanding that there were contracts let on that basis; that the contractors received a percentage of the cost of the job.

Mr. CORDON. Will the Senator yield further for one statement?

Mr. TAYLOR. Certainly.

Mr. CORDON. Mr. President, I think one of the policies which I believe was strictly followed in this war, for which I have only the highest commendation, was the policy which was exactly the opposite of that followed in World War I, known as the cost-plus contract. I think this Nation was saved a very great deal of money by reason of that practice being followed. I think it was the exercise of a high type of judgment which dictated that there should not be cost-plus contracts. Even so, I recognized that there was probably a great deal of money spent that should not have been spent in connection with the production of defense goods. But none of it could be laid to the Government because it had set up a policy by which a contractor could get more money by expending more money. So far as I know, no such contract was ever made during this war.

Mr. TAYLOR. I am frank to admit that I am in no position at this moment to prove that. That was my understanding. I know at least that contractors received cost plus a fixed fee, and I did understand—I heard it from many sources—that it was cost plus on the basis that they receive a percentage, and that if it cost more to produce what they produced they made more.

Mr. GOSSETT. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. GOSSETT. I should like to ask the Senator from Oregon a question if the Senator from Idaho will yield for that purpose.

The PRESIDING OFFICER. Does the Senator from Idaho yield to his colleague?

Mr. TAYLOR. I yield to the junior Senator from Idaho to ask the Senator from Oregon a question.

Mr. GOSSETT. Was it or was it not a fact that all war contracts which were entered into were renegotiable by the Government for a given length of time after they were completed?

Mr. CORDON. Mr. President, the renegotiation provisions which were originally made, and which I believe are still

carried in the Internal Revenue Act, were not applicable to small contracts. My memory, and I am not at all certain that I am correct, is that the original contract had to be in excess of \$100,000 in order to be renegotiable. I am not certain of that amount. There was a certain amount below which renegotiation was not permitted under the law. But above that amount all contracts were subject to renegotiation, under which procedure the Government was entitled to recover any profit deemed to be excessive, and the Government itself was empowered to determine what was an excessive profit.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. BARKLEY. I wonder if we might not forego a discussion of war contracts at this time, at this hour, in order that we might approach a vote on the pending amendment. We could spend the whole night discussing war contracts if we wanted to do it, but while it is a very interesting subject, it seems to me that we ought to forego a discussion of it now and see if we cannot come to a vote on the pending amendment. I hope Senators will not take much more time, if any, in discussing war contracts.

Mr. TAYLOR. I may say to the distinguished majority leader that I was just going to suggest that the discussion of cost-plus was beside the point insofar as price control was concerned.

Mr. President, I approach this matter of price control as a question, not of what is best but rather what is the lesser of two evils. I realize full well that price control has had many evils connected with it; that it has worked hardship upon many manufacturers, retailers, and others. I have gone to bat for numbers of the people with OPA. I know of cases where relief has come too late, and they have been forced to go out of business.

But, Mr. President, I feel that a continuation of OPA unhindered in carrying out its functions, as is provided in the amendment of the Senator from Florida, is the lesser of the evils when compared to taking off of all price controls and allowing to continue the inflation spiral which we have seen in progress since OPA died on the first of the month. I feel that that will be disastrous to hundreds and thousands of American small businessmen, because they will be caught with high-price inventories, and if the bottom falls out they will go broke as they did after the last war and in the crash of 1929.

Mr. President, inflation is exhilarating at times. It sort of reminds me of a few years ago during the depression when I for a time endeavored to earn my living as a fisherman down on the Gulf of Mexico. It was hard work. At night we would go out at 10 o'clock and wade through the water, up to our shoulders, dragging a net trying to catch shrimp for bait. That would last a couple of hours until midnight, and then we would sleep until 3 o'clock, and get up and start fishing until probably 9 or 10 in the morning, and then try to sleep through the heat of the day. The heat was very oppressive. The humidity was great. One

could not sleep. Yet that night we had to start over again.

I remember that one afternoon a brisk breeze came up to relieve the heat, and it was very satisfying after the sultry day that preceded it. I went out on the edge of the cliff that overlooked the bay and I stood there with the breeze blowing upon me, and I felt very good for a time. It feels very good when inflation comes, and everyone seems to be prosperous for the moment. But the breeze became stronger and stronger, and the waves rose up and whipped up and became higher and higher, and finally I saw different articles flying around behind me on the landscape. The wind was becoming so strong they were starting to blow away, and I became a little alarmed. So I went back to the trailer house where I had my wife and baby. Luckily the trailer was faced into the wind, and streamlined. The wind became stronger. It was one of those hurricanes that come up along the Gulf coast. I went in and tried to comfort my family. Frankly, I did not feel any too comfortable myself. The wind became stronger, and I saw it take the roofs off the huts of the other fishermen. Luckily our trailer, being streamlined, withstood the wind.

That is the way with inflation. As time goes on, I am afraid the same thing will happen to us that has happened to Hungary, as I have recounted on the floor of the Senate. Hungary removed price controls a year ago, and now the Hungarian currency is absolutely worthless. The streets of Budapest are littered with paper money; and Austria, next door, which kept price control, is proceeding with an orderly reconversion, although it is said that many items are in shorter supply in Austria than they are in Hungary. There is an object lesson for us in that, Mr. President.

I would rather continue price control, with all its inconveniences, hardships, and injustices for another year, until February 1, as the Senator from Florida suggests in his amendment. Then we shall be back here, and we shall have 30 days in which to review the situation before the law expires. I would rather have decontrol come in that way. I have confidence that the OPA Administrator and the personnel of OPA will decontrol as fast as it is safe to decontrol.

I have voted for none of the decontrol amendments, but by the votes which have been cast the Senate has expressed its wishes in the matter. I feel sure that as soon as possible the OPA would decontrol tobacco, pulpwood, and the other items sought to be decontrolled in this measure.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. PEPPER. I am sure the able Senator is not overlooking the fact that in our amendment we have incorporated all the provisions in the committee amendment providing for the Decontrol Board, and all the functions that the Decontrol Board would have under the committee amendment.

Mr. TAYLOR. That is correct. The Senator's amendment includes the De-

control Board, and I am glad it does. But I would rather have decontrol come in this way rather than like the hurricane we experienced on the Gulf coast of Texas, which destroyed the homes of many of my humble fishermen neighbors. I would rather have it come like the sunrise out in Idaho. On a cold morning, if one is up in the mountains on a fishing trip and has gone through a long dark night, possibly comparable, in some instances, with the long dark night of the inconvenience of price control, in the morning he sees the rosy fingers of dawn feeling their way about the craggy peaks of the Sawtooth Mountains. I would rather have decontrol come in that fashion than like the tempest I went through on the Gulf coast.

Mr. President, I hope that the Senate will adopt this amendment. This is the time for Senators who genuinely believe in price control to stand up and be counted. This is the opportunity for which I have waited. This amendment would not pass the buck to the President of the United States. We have before us the clear-cut issue as to whether we want price control or whether we want to pass a measure which is absolutely inadequate, and then try to kid the American people into believing that we have passed a price-control measure. When inflation comes, as it certainly will under the terms of the measure which it is proposed to pass, let us not try to tell the American people that it is the result of maladministration by officials of the OPA.

Let us be honest. Let us vote either for price control or for no price control. I am prepared to accept the challenge. I shall vote for the amendment of the Senator from Florida, and I shall vote against the joint resolution which has been butchered on the floor of the United States Senate.

Mr. AIKEN. Mr. President, I should like to speak for 5 or 6 minutes.

I regret to say that I find myself in disagreement with my colleagues who have sponsored this amendment, much as I respect them and much as I have enjoyed working with most of them in committees.

It is my candid opinion that we might regard the proposed amendment not as a price control measure, but rather as a political document. I am fully satisfied that the vote on this amendment which we take here tonight will be used as a political criterion to support or defeat Members of Congress who vote for or against it, depending upon whether they vote in accordance with the ideas of the group which is supporting the amendment. I am also satisfied, Mr. President, that if by any chance this amendment should be agreed to, the effect would be not price control, but political unrest.

This spring when it began to be sensed that the OPA might be discontinued on July 1, those who manufacture goods, raise cattle, and produce crops began to hold back their products. When we came into June some of the necessities of life almost stopped flowing into the channels which would take them to the people who needed them very badly.

Production was held back in May, but this amendment calls for the end of price control on February 1. If it should be adopted, it would mean that about the last of November, goods and produce would be withheld from the market. Food would stop flowing into the channels of trade. Warm clothes would stop coming into the market, at the time of year when people need warm clothes. Fuel would be held back, waiting for a possible higher price with the ending of price control on February 1.

Is it difficult to imagine what would happen under such circumstances? Imagine what kind of a Christmas the poor people of the country would have if price controls were to end on February 1 and food, fuel, and clothing were withheld from the market. They would have a pretty cold and hungry Christmas and New Year. The net result would be, I fear, riots, strikes, and near rebellion.

I am not satisfied with the measure upon which we have been working. There is altogether too much decontrol in it. I hope and expect that the conference committee will make a better measure of it; but I am satisfied that with the provisions of the joint resolution as they are, and as they can be after the conference committee gets through with them, the administration can make the measure work if it wishes to do so.

As I say, we have decontrolled too too much. At the bottom of page 7 of the joint resolution will be found this provision:

(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this act.

That paragraph provides that if decontrolled agricultural commodities get out of hand and prices skyrocket to the point of inflation, they can be recontrolled.

Take milk, for example. I am sorry that the price of milk has gone to 19 or 20 cents a quart throughout most of the country. But with the taking off of the subsidies it had to do so, unless the additional 2 or 3 cents were to be taken from the producers. But under this measure, if the price of milk next fall goes to 24 or 25 cents a quart—as I fear it will—I am satisfied that the Government can recontrol milk and return to the payment of subsidies, so that the price can be held within the reach of poor people.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. AIKEN. I do not care to yield now. I am too tired to get into any arguments. I wish to say what I have to say, and then stop.

The Senator from California [Mr. DOWNEY] called attention to the fact that we are producing much more milk than we were in prewar days. That is

true. We must produce milk for ten or fifteen million more people. But what the Senator from California did not tell us was that the production of milk has been dropping steadily for the last 8 months. As I said yesterday, this spring the production of milk in New England dropped 16 percent below what it was last spring, and it is still dropping.

The Senator from California also told us how many more eggs we have now than we had in the prewar days, but he did not tell us that 20 percent less laying chickens are coming along, for next winter, than there were a year ago.

So, Mr. President, I am satisfied that if the Government wants to make this measure work, after the conferees get through with it and put it in better shape than it is now, the Government can make it work.

I wish to say that there has been altogether too much politics played in connection with the matter of price control. Politics has been played both by the executive department and some of those in the legislative department, and there is no excuse for any of them to do that.

Mr. President, I yield to no one in my desire to see to it that the people of the United States enjoy better health, better education, better living. They deserve the better things of life. Likewise, I yield to no one in my unalterable opposition to those who would build up their cartels and their monopolies, those who would seize our natural resources for their own benefit, or those who would destroy the rights of labor or agriculture to organize to better their own welfare. But, Mr. President, I will not undertake to achieve these objectives or ideals which I hold by voting for any political measure which, if passed, would bring about abject misery, such as having price controls ended February 1 would do. If the sponsors of this proposal really have adequate price control as their objective, let them make the price control end next June 30, if they want me to vote for the measure, and not have it end February 1, when the only possible result could be misery, riots, strikes, and various other disturbances.

Mr. MORSE. Mr. President, I was glad to hear the Senator from Vermont say that he is too tired to yield, because that is the only explanation which would satisfy me as his attributing to the sponsors of this proposal a motive that they are proposing this amendment as a political document. As one of the sponsors of the measure, I wish to make it clear that no such motivation guided me in becoming a sponsor of the document. I am sure that is also true of the other sponsors of the Pepper substitute amendment. I am not going to attribute any characterization to the joint resolution which is pending before the Senate in the form of the committee bill, as it has been amended on the floor of the Senate. But if ever any politics and political trading and pork barreling have entered into the preparation of any bill, I submit that playing politics is what has happened on the floor of the Senate in recent days in connection with the preparation of the bill which is finally going to come to a vote on the floor of the Senate.

I wish to say to the Senator from Vermont that I think he knows that I have the highest of admiration for him and great respect for his judgment. However, as honest men, we can have honest differences of opinion, and we certainly have an honest difference of opinion as to the effects of the so-called Pepper amendment. I do not think the dire predictions the Senator from Vermont makes will flow from that amendment. But I am satisfied that most of the things the Senator from Vermont has said about that Pepper amendment are going to be exactly the results which will flow from the so-called Barkley measure, when finally voted upon by the Senate.

If the Senator from Vermont will accept June 30 as the expiration date for price controls, so far as I am concerned, as one of the sponsors of the Pepper substitute, I shall be glad to accept that date. I should like to ask the Senator from Florida whether he will accept June 30 as the date for the expiration of price control?

Mr. PEPPER. We shall be glad to do that. The reason February 1 was arbitrarily chosen was, as I said before, that that would be when the new Congress would have begun its session, and that date would give the new Congress a chance to determine whether it wanted to continue price control until June 30 or for a longer or shorter period. However, if the Senator from Vermont would like to have the date the 30th of June, I would take the liberty of making that modification.

Mr. MORSE. Mr. President, I have only one other comment to make, and that is that all during the discussion of the so-called Barkley measure there was, I think, at least a general understanding that we were going to proceed to eliminate all price controls at the earliest possible date, regardless of whether it would be January 1 or February 1 or March 1 or any other date. I certainly do not think it logically follows that because a date definite and certain is fixed in the Pepper measure, the consequence of fixing such a date and notifying the American people that as of that date the price controls will end that the results suggested by the Senator from Vermont would automatically follow.

Mr. President, I do not have such a lack of confidence in the operation of American business as to believe that American business would use such methods to heap cruelty upon the American people as suggested by the Senator from Vermont.

I have only one more point to make as I close. I think we already have evidence available to the Senate and to the country in regard to what is going to happen in the remaining portion of the reconversion period if we do not keep on some effective price controls. There is still a complete out-of-balance between the totality of supply of consumer goods in this country and the purchasing power of the American people. So long as that economic fact exists, the danger of inflation will be knocking at our door.

As I said earlier this evening, and I repeat it now, I think when the so-called Barkley measure is passed, we shall find that in operation it will be an invitation

for runaway inflation in this country. But if in 6 months that does not come to pass, I shall be perfectly willing to eat those words and to thank God that I have an opportunity to do so. But if what I suggest is true, then let me say the responsibility for that inflation cannot be passed to any other group except the Congress of the United States. I shall vote for the Pepper substitute amendment as a preventive measure against inflation.

Mr. KILGORE obtained the floor.

Mr. MAGNUSON. Mr. President, will the Senator yield to me?

Mr. KILGORE. For what purpose does the Senator request that I yield to him?

Mr. MAGNUSON. I should like to make a statement for about 1 minute.

Mr. KILGORE. Mr. President, I shall use only about 2 minutes.

Mr. President, I feel that I owe it to myself and to the Senate to give my reasons for being one of the sponsors of the amendment now under discussion. I have felt, and I still feel, and always will feel, that this amendment is not a price-control amendment. It is a price-decontrol amendment. It is for decontrol in an orderly manner. It is a method of getting from short supply to normal supply without depreciating the American dollar.

My reason for supporting this amendment is that I do not want this body and I do not want myself to vote to depreciate the only stable currency now existant in the world. We all remember that we have had thrown in our teeth for a long time the statement that the dollar is now worth only 59 cents, as compared to what it was worth in 1914. We have been told that that has occurred because of inflation. Mr. President, a dollar is what it will buy. If it will buy a bushel of wheat, a dollar is a bushel of wheat. We had well demonstrated on the floor of the Senate today, in connection with the silver controversy, the fact that the coined value of silver was \$1.29 if it had the seal of the United States of America on it; but its market value was fixed by the Senate at 90.3 cents. We may be melting silver dollars for their silver value if we keep on and get into inflation.

Mr. President, I say that we cannot safely decontrol suddenly. We cannot safely do as we have been witnessing here for the past few days, namely, do by legislative means something which can be well done only administratively. The Banking and Currency Committee brought out a measure; but when the hamstringing was finished, or may I call it the strip-tease act legislatively had been completed, there was not much left, not even a skeleton.

Mr. President, we are decontrolling suddenly. We are depreciating the dollar suddenly. I have not heard a single word said on this floor so far in regard to the actual dollar loss. The comments have been about the anticipated profit loss by reason of the controlling of prices. That has been the nature of the complaint. I have not had a single lobbyist approach me in regard to decontrolling who did not say, "I want the thing I

sell decontrolled. I want other price ceilings maintained."

Mr. President, I fear that all of us are looking at the thing through the wrong end of the telescope. We are thinking about how much money we ourselves are going to make by selling high, and we are failing to realize how much money we are going to lose by buying high.

Mr. President, we are looking at this situation from the standpoint of the instant profit, or this year's profit, and not from the long-range viewpoint of 10 years of continued profit. It is much better to rent a building at a lower rate of rent to a tenant whose business will permit him to pay the rent, and permit the owner to maintain the building for a long term of years, than it is for the owner to receive a high rate of rent for a few months, and then have the building vacant. We have forgotten the consumer. There was some talk in 1932 about the "forgotten man"—the consumer. Except for what was said about him by the Senator from Pennsylvania [Mr. MYERS], he has been the forgotten man in this debate.

For the reasons which I have stated, Mr. President, and for the reason that I believe we must have orderly decontrol, and must not, in hysteria, depreciate the dollar, I joined in sponsoring the amendment in the nature of a substitute. I join with the Senator from Vermont and with the Senator from Washington in believing that it will require more than 6 months properly to decontrol, inasmuch as we have been tightly controlled for more than 4 years. I assert, Mr. President, that the time has come for us to wake up and realize the effect of this situation. We must figure out how much decontrol will cost this Nation.

Incidentally, Mr. President, when we depreciate the American dollar, chaos will take place in the financial world, not only in this country but abroad as well, because the dollar is the only standard of value we have at the present time. When we increase too much the price of commodities, the dollar is depreciated because it is nothing but a medium of exchange with which we purchase the things we need. Therefore, Mr. President, in the interest of holding the dollar value where it is, and holding the value of the war bond where it is, and protecting the boys whom we promised to educate, and taking care of our disabled and other persons to whom we promised many things, it behooves us to go slowly and carefully with regard to the decontrolling process, and allow it to be done by a decontrol board. I believe, Mr. President, that it was wise to make provision in the joint resolution for a decontrol board, because the matter should be left to a board of that nature.

Mr. President, let us think carefully before we vote on this amendment. Let us remember that when we take off the controls the dollar will not buy even 59 cents' worth, it will buy a great deal less. The boys to whom we made our promises will realize that we lied to them, not by our promises but by our performance.

Mr. BARKLEY. Mr. President, before the Senate votes on the amendment I think it might be well to invite attention

to what it is that we are asked to do. I do not, in the slightest degree, question the good faith or sincerity of any of the Senators who are sponsoring the amendment, or who will vote for it. But we should remember that we are considering a House joint resolution which does nothing except to extend price control, as it existed on June 30, to July 20. That is all the joint resolution does.

If we could imagine that the amendment which has been offered by the Senator from Florida in behalf of himself and other Senators could be agreed to, we would have this situation: We would have a House joint resolution extending price controls for 20 days, amended by extending them to the 1st of February, and there would be included the creation of a decontrol board and nothing else.

It is a foregone conclusion that the House would not accept the amendment, and it is extremely doubtful whether it would even send it to conference. But even if it sent it to conference, the field of operation of the conferees would be only that of the question of time as between a 20-day extension and a 7-month extension, and whether there should be a decontrol board. That is all the conference could deal with. That is all it could consider. It could not add in the conference report, under such circumstances, any of the other provisions of the joint resolution.

Mr. President, the chances are that if the matter went to conference there might be a compromise as to the length of the extension somewhere between 20 days and 7 months. It might be 50 days, or 90 days, but it certainly would not be 7 months. So the chances are that, out of the measure, we would get nothing whatever.

Mr. President, I think that we must look at the situation as sensible and practical men. There was a time when I would have voted for an absolute blanket extension of the OPA as it existed prior to June 30. The time has passed when we can do that. Everyone knows that. Anyone who would say that he did not know it would not be acquainted with the general parliamentary situation which confronts the Senate at the present time.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. PEPPER. A moment ago I intended to ask for a modification of the amendment so as to allow the expiration date be June 30. If I may so modify the amendment, I wish to do it.

Mr. President, what I wanted to ask the able leader is this: If the Senate adopted the amendment so that the expiration date would be June 30, and it went to the House of Representatives and the House of Representatives declined to accept it, and the matter then went to conference, we certainly could be assured of price control, as it existed on the 30th of June, being extended to sometime between 20 days from the 30th of July this year and the 30th of next June. Therefore we would have a definite period of price control, except for

the inclusion by the Senate of the decontrol board.

Mr. BARKLEY. The modification of the amendment from February 1 to June 30 would in no way cure the defect in the difference between versions of the two Houses. There might be a compromise as between July 20 and June 30, but that would not be of much practical benefit. I have grave doubt, Mr. President, if the amendment were adopted, whether the joint resolution would ever go to conference. If it did not go to conference it would end all price control and all chance for price control. In my judgment, if we are unable to get some sort of price control under the joint resolution which we are now considering, there is no chance to get it at all. We may as well consider that if we cannot get it under the pending measure, price control is over with and out the window.

I am not satisfied with the pending joint resolution. I do not have to say that. I have been fighting to the extent of my ability against some of the amendments to it. I do not know what will happen to them if the joint resolution goes to conference. I make no predictions with respect to the matter. I felt that we wrote in the former conference a better bill than either the House or the Senate passed. I still believe so. I would hope that in the next conference we could write a better bill than was written before. If I have a choice between voting for a bill which may have some chance of enactment, and one which may have no chance, I am ready to stand up and be counted, Mr. President, not for any political purpose or in order that my vote may be used for or against me somewhere else, and at some other time. I am willing to stand up and be counted on the subject of the practicability and possibility of securing any legislation whatever. When that question is at issue I am willing to vote even for a bill which I do not like, in view of the amendments which have been added to it, rather than take a chance on getting nothing at all. For that reason I shall vote against the amendment of the Senator from Florida.

SEVERAL SENATORS. Vote! Vote!

Mr. GREEN. Mr. President, I do not wish to make a speech; I want to ask a question. I think it would be very helpful to many of us if the Senator from Kentucky would summarize briefly the advantages of passing in its present form the joint resolution which he originally introduced.

Mr. BARKLEY. Mr. President, I hope the Senator from Rhode Island will not expect me to go into a description of the joint resolution. It has been discussed for days. I think there is an advantage—and I supported the provision in the committee originally, and I support it in the joint resolution—in providing that the Secretary of Agriculture shall have some voice in the decontrol of agricultural products.

I think that there is value in the creation of the Decontrol Board which is set up in the measure. Even though it is copied in the amendment of the Senator from Florida, I think the chances of its enactment in the joint resolution are better as it is now before the Senate

than in the amendment offered by the Senator from Florida.

I think there is in the joint resolution a standard by which prices can be fixed in the future, a better standard than would be possible of attainment if the amendment of the Senator from Florida should be agreed to and the conferees were limited in settling the differences between the two Houses. Nothing now could be added as between the House joint resolution and the amendment offered by the Senator from Florida.

Those are two or three advantages which I think of. There are many others I could call attention to which in my judgment we can attain in a free conference under the joint resolution that is now before the Senate, which could not be possible if the amendment offered by the Senator from Florida should be agreed to.

Mr. AIKEN. Mr. President, before the vote is taken I should like to say that I thank the Senator from Florida for changing the date from February 1 to June 30. I am very much tempted to vote for his amendment with that change in date, but if I did so at this time it would be merely a protest vote against the total inadequacy of the joint resolution which the Senate appears to be about to pass.

I believe that we need the very best legislation we can get just as quickly as we can get it, and we have to pin our hopes on the conference committee, and trust they will do better than either House has up to this time.

I wish to say that I have the very highest regard for all the sponsors of the amendment. I did not know the Senator from Oregon [Mr. MORSE] was a sponsor of it. I did not see his name on it. Furthermore, I wish to say that no one of the sponsors of the measure told me that it would be used as a political criterion. That information came from the outside.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. It is understood, is it, that the sponsors of the amendment modified the expiration date to June 30, instead of February 1?

The PRESIDING OFFICER. The Senator has that right, and it is so understood.

The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER] in the nature of a substitute, which will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947"; and by inserting before the period at the end thereof a colon and the following:

"(h) Price Decontrol Board: (1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall con-

stitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of \$12,000 a year.

"(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board.

"(3) A petition made under subsection (g) (3) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's or Secretary's reasons for believing that maximum prices on the commodity involved should not be removed, together with a statement of any economic data or other facts of which he has taken official notice. At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary, as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence, the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing on any petition, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board. Orders of the Board shall not be subject to modification or review by any other department or agency or by any court.

"(4) No petition may be filed with the Board with respect to any commodity within a period of 3 months after the issuance of an order of the Board with respect to the same commodity.

"(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular

matter which is within the jurisdiction of the Board.

"(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it deems proper upon the record or may conduct a new hearing upon the petition before the Board."

SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947."

SEC. 3. The last paragraph of section 2 (c) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations of the Commodity Credit Corporation and the Reconstruction Finance Corporation until February 1, 1947: *Provided*, That no new subsidy or purchase and sale operations shall be undertaken under the authority of this section, and no change shall be made in the basis of any operations existing on June 29, 1946, for which funds are made available under this section which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

SEC. 4. (1) The provisions of this act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this act had been enacted on June 30, 1946: *Provided*, That in any case in which the Emergency Price Control Act of 1942 (except sections 204 and 205), as amended, or the Stabilization Act of 1942 (except sections 8 and 9), as amended, or any regulation, order, or requirement under either of such acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this act, both inclusive: *Provided further*, That no act or transaction occurring subsequent to June 30, 1946, and prior to the date of enactment of this act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such acts.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER] for himself and other Senators.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from New Mexico [Mr. HATCH]. I am not advised as to how the Senator from New Mexico would vote on this question. Being at liberty to vote, I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from Arizona [Mr. HAYDEN] is necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER], and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from Florida [Mr. ANDREWS] and the Senator from South Carolina [Mr. MAYBANK] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] and the Senator from Indiana [Mr. WILLIS] are necessarily absent. If present the Senator from Indiana would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD] is unavoidably detained. If present he would vote "nay."

The pair of the Senator from Kansas [Mr. REED] has been announced heretofore, and transferred. If present the Senator from Kansas would vote "nay."

The result was announced—yeas 23, nays 52, as follows:

YEAS—23

Chavez	McMahon	O'Mahoney
Downey	Magnuson	Pepper
Green	Mead	Taylor
Guffey	Mitchell	Thomas, Utah
Hill	Morse	Tunnell
Huffman	Murdock	Wagner
Kilgore	Murray	Walsh
Lucas	Myers	

NAYS—52

Alken	George	Overton
Austin	Gerry	Radcliffe
Ball	Gossett	Revercomb
Barkley	Gurney	Robertson
Brewster	Hart	Russell
Bridges	Hawkes	Smith
Briggs	Hoey	Stanfill
Brooks	Johnson, Colo.	Stewart
Buck	Johnston, S. C.	Swift
Burch	Knowland	Taft
Capehart	La Follette	Thomas, Okla.
Capper	Langer	Wherry
Carville	McCarran	White
Cordon	McClellan	Wiley
Donnell	McKellar	Wilson
Eastland	Millikin	Young
Ferguson	Moore	
Fulbright	O'Daniel	

NOT VOTING—21

Andrews	Ellender	Saltonstall
Bailey	Hatch	Shipstead
Bilbo	Hayden	Tobey
Bushfield	Hickenlooper	Tydings
Butler	McFarland	Vandenberg
Byrd	Maybank	Wheeler
Connally	Reed	Willis

So Mr. PEPPER's amendment in the nature of a substitute was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. O'DANIEL. Mr. President, I have been patiently waiting for my colleagues to quit filibustering, so that I might have a chance to say a few words.

I believe the Senators are tired at this late hour, and I think they might rather be home asleep than here listening to speeches. I do not intend to take much time to discuss this subject, which has been so thoroughly debated by my colleagues.

The matter which is before us is not a test of whether prices will rise or fall. It is a test of whether our Republic will rise or fall. During the past 13 years our Republic has fallen so low under the leadership of the New Deal that we see here, and have seen for the past 2 weeks, how difficult it is for our bureaucrats to be patient while our American citizens are enjoying the freedom of living under American freedom without dictation from some New Deal bureaucrat in Washington.

Mr. President, we have the whole thing backward. According to our form of government, it was intended that the public officials should be the servants of the people and the people should be the masters. And here the public offi-

cials at 12 minutes past one in the morning are up here worrying about 120,000,000 people out there who are sound asleep not worrying about anything. That shows what happens when you try to run somebody else's business and when you know less about running the other fellow's business than the other fellow does. I think it is time that we should get back to the American form of government and the American way of life. I think the citizens of this Nation did a swell job the first 150 years or so, each one operating according to his own ideas of what he should do. I have confidence in the rank and file of the American people. I have seen very little confidence shown by a lot of our public officials around Washington. They do not appear to have any confidence in the American citizens' ability to look after their own business. These public officials are afraid the people will not know what time to get up in the morning. They are afraid the people will not know which cow to milk or which pail to put the milk in, or whether to churn it or send the cream to town and sell it, or whether to drink the milk. We have to decide everything here in Washington about what our citizens are going to do, which is just exactly the opposite of how it should be.

We would be in a terrible fix if we would get things in such bad shape that the American citizens could not make enough money to pay our salaries.

In the Senate Chamber are men of wisdom, men of intelligence, who should be looking after the legislative affairs of the Nation. Yet in the last 2 weeks this Chamber has taken on more or less the appearance of a Board of Trade. We are getting market reports in here regularly. We are forecasting what is going to happen to the price of wheat, to the price of cattle. Almost every Member of the Senate came here to make laws which would be fair, so that our citizens out there could operate and make a living and make profits so they could pay taxes and we would receive our salaries.

Mr. President, the situation is absurd. It is ridiculous. Who ever would have thought that this great Nation could have sunk to such a low level? We have fallen into the gutter of communism; we have sunk so low that it looks like we cannot get out. Even though OPA died a natural death 12 days ago, and was buried, we are now trying to revive it.

Mr. President, I am proud of this great Senate of the United States. It is a dignified body indeed. We have all heard about the mountain which labored and brought forth a mouse. And here this great dignified body of men labored and brought forth the ghost of OPA. It is ridiculous.

Mr. President, it is my honest conviction that unless we can turn the country back to the people, and legislate for the benefit of everybody instead of for certain groups, that we are going to lose our own liberties; we are going to lose our freedom. There is not a Member of the Senate who can tell me what the price of wheat was, or what the price of a loaf of bread was, or what the price of a pound of lard was, or what the price of anything else was 5 years ago. Now

we are interested in market quotations. Every day newspaper reporters tell us what is being charged for a pound of butter. What is the difference to a legislator here at what price a pound of butter changes hands? The man who sells it and the man who buys it are both American citizens. What is the difference if butter is 50 cents a pound or a dollar a pound?

Can anyone here tell me that all men in Government are interested in the welfare of other men? It would be unusual to think they were. Some in this Government, it might seem, who must be elected, are interested in getting votes. We might as well shake off the shackles and get down to the truth. The reason it might appear why so many are talking about being interested in the consumers is that the population—

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. O'DANIEL. No; I will not yield.

Mr. TAYLOR. I deny that statement.

Mr. O'DANIEL. Is because the population statistics show that there are more consumer voters than there are producer voters. Is that why they are interested in this thing?

I am ashamed that we are in this kind of a jam up here. I do not believe there is a Senator in this Chamber who does not know that controlling of prices is an impossible task. There is no one in this Nation who has wisdom enough or intelligence enough to administer properly a price control act. That is an impossible thing. If two Senators were picked out and the rest of us were to decide what would be a fair price at which one should sell an article he owns to the other, neither would be satisfied by our decision.

Mr. President, when our forefathers set up this great Government of ours they separated Government from private industry, and they said that private industry would support the Government. They knew that people trading with each other would get mad at each other, and they would fight it out. But they did not care which one won because they were all citizens. So when the Government takes a hand in commercial matters in which it should not take a hand, then all the citizens commence to get mad at the Government. If Senators go out through the country today they will see what the people think about this Government of ours. The people are just as mad as they can be at it. Those who are buying what they need at the OPA prices, or what were OPA prices, are mad because the prices are not fair—because they are too high. The producers are mad because the prices are too low. And we here are caught in the middle.

Mr. President, all this comes about not because Senators do not have sense enough to know what should be done. I have always said that Senators have wisdom, that Senators have intelligence. Of course they have. But they are applying their wisdom and their intelligence in the wrong direction. It is like the mother I knew who had a daughter. She was trying to apologize because the daughter could not play the piano very well. The daughter was taking lessons but could not play very well. The mother

said, "That is not the fault of my daughter's hands that she cannot hit the right keys. My daughter has such an active mind, such an active brain, and it operates so fast that her hands cannot keep up with it." That is the way with the Senate. If we would devote our time to enacting legislation instead of trying to run the markets of the United States, instead of trying to tell the farmers what to plant, when to plant, when to sow, when to reap, and at what price to sell we would get somewhere.

There is no doubt in my mind but that every Senator knows how to legislate. But they are trying to do the wrong job when they try to run the business of the Nation. They are using their great skill in performing a menial task. It is like hitching up a race horse to a plow.

Mr. President, I am trying to make it clear that I am against OPA and every phase of OPA. OPA is unsound. It is a menace. It is unnecessary. We got along without it for a long time. Some say that if we do not have OPA, prices are going up. Others say if we do have OPA, prices are going up.

I say, Mr. President, that whether we have OPA or do not have OPA, prices are going to fluctuate. Prices will go up and prices will go down. There is no man on earth who has sense enough to know positively which way they are going. The law of supply and demand settles that question. Many people have tried to guess the market, but found out to their sorrow that it is a difficult task.

No one knows what is going to happen with prices. A hundred and one things enter into the establishing of a price on a given commodity. We may set a price on one thing, and the result will be that prices on a dozen articles will be affected. If the price of a commodity goes too high, more of that commodity will be produced and that will bring down the price.

Mr. President, we are going to have higher prices, yes; but that does not depend on whether we do or do not have OPA. The damage in that respect has already been done. We have been dancing to the New Deal tune for 13 years, and now we have to pay the fiddler. This New Deal administration that we have had has spent and dissipated the resources of this Nation and of our people, and raised and raised the taxes until they take from 20 percent to 95 percent of the earnings of our citizens, and, as soon as they have gotten those earnings from our citizens, that money has vanished like the morning dew. That tax money does no more than get into the Treasury before it is gone. And in addition to spending all this tax money, they have borrowed and run us into debt to the tune of around \$300,000,000,000.

Did Senators ever see this New Deal Government buy anything for a thousand dollars when they could pay \$2,000 for it? That is where the trouble comes in. The damage has already been done. Winston Churchill said that the English people would have to pay with blood, sweat, and tears, and the same thing applies to the American people. We are going to have to pay through the nose for the spending and for the foolishness of this New Deal government. They

cannot stop. They want to keep on with it. And if we cannot shovel out the money fast enough here at home, we will shovel out \$3,750,000,000 to England, and then we will shovel it out to Russia. Just as long as we can keep printing the money down here, the Government will keep shoveling it out.

So it is not the death of OPA that is going to cause all our trouble. Do not let the officials frighten you about it. The American people should not be frightened about what happens to OPA. We are going to go through the depths of a depression, we are going to suffer, and we are going to pay with blood, sweat, and tears before we ever get out from under the ruin that has been imposed upon this great Republic by a bunch of New Deal idealists and stargazers who are trying to do the thinking for 140,000,000 people.

The only thing the New Deal ever created was emergencies and shortages. They are good at that. They started in with the NRA. Congress, of course, knows that there is no one person smart enough to handle an emergency, so Congress turns the problem over to a bureau, and then Congress tells the President to hire someone to run that bureau, and he picks out somebody who votes the New Deal ticket, and puts him in that bureau. Just as soon as they get things in such a terrible mess that no one can straighten them out, do they abolish the bureau? No. They superimpose a greater bureau on top of the defunct bureau, and go merrily on.

Mr. President, I say it is time to call a halt. The American people are pretty well fed up with this sort of thing. People in Washington say, "It is too bad to pay such a high price for beef and butter." In time we shall forget what we paid for our beef, our butter, and our bread; but we shall long remember that it was the New Deal outfit which sold us down the river—sold our liberties, sold our freedom, and everything that we held near and dear.

Our wise forefathers who established our Nation, wrote the Constitution of the United States. Aside from the Holy Bible, the Constitution is the greatest document ever penned by man. It is a great document, but we are entirely away from it now. That document guaranteed to the humblest boy or girl at the crossroads or at the grass-roots the opportunity, if he was honest and had talent and ability, if he worked, saved, and studied, to get somewhere in the world. But now it is impossible for them to get above the third rung of the ladder of success unless they have a pull with some bureaucrat or New Dealer in Washington.

Some of our returning servicemen want to get into business. They cannot do it. Some of them write to me from my home State. They cannot get started in business because of Government restrictions. A young man in Fort Worth had been in business for 4 years. When the war came he went into the Army. When he came back he wanted to start his business again and the Government would not let him.

The two best ways to destroy an individual, a corporation, a company, or a government are: First, to stop produc-

tion; and second, to destroy accumulated savings. Ever since March 4, 1933, that is what this administration has been doing to this Nation. It has been dissipating all our accumulated savings of 150 years and stopping production. It has been working hand-in-hand with the labor racketeers. If production cannot be stopped in any other way, some of the labor racketeers conduct a strike. The administration has played into the hands of all the crooks in the country by permitting black markets.

The situation is deplorable. I wish there were some way by which this information could be brought to the people. Our people place too much confidence in the Government. Consider what happened to Germany when the people placed confidence in a dictator. We know what happened to Italy and to other countries. If we do not have a dictator government here, I do not know what one would call it. If we try to get rid of a little bureaucrat who fixes prices, a furore is started all over the country.

We have been arguing today until 1:28 o'clock in the morning. We cannot root out the bureaucrats. The situation is as bad as it was when we tried to fire three alleged Communists working for the Government. We could not even fire them. If their salaries were stopped, they could not be forced to quit. So I think the situation is serious. I do not like to talk like this, but it is time for someone to speak out and tell the American people the truth about what is going on.

I am not the first man to talk about misplaced confidence in public officials. Read what Thomas Jefferson said about it. "Do not talk to me about men. Bind them down with the chains of the Constitution." When we let a gang of New Dealers get into control of the Government, there to remain during their natural lives, they start scratching one another's backs and trying to keep themselves in office, forgetting the people back home except at election time. Under the present situation it makes very little difference, however, whether a public official is reelected or not. The administration can appoint its pets to places in the bureaus, and they continue on the public pay roll.

I stated that the New Deal outfit was in league with the labor-leader racketeers. What has this Congress done? What has the Senate done? I do not need to tell Senators what the Congress has done. I hark back to the words of the Senator from North Carolina [Mr. BAILEY], one of the most fundamentally sound Senators who has ever graced this Chamber. What did he say? He said that the Congress had transferred and delegated to the labor leaders of this country the right to tax the people. Under the Constitution only the Congress has the right to tax the people. The Senator from North Carolina says that we have transferred that right. Whether we like it or not, we have transferred that right from the Congress to the labor-leader racketeers. They tax the people. They levy a tax on most every one of our citizens who wears shoes or rides on the railroad. He pays a tax to the Government—and to the labor-leader racketeers. That money goes

into the CIO-PAC fund, and from there it goes to support the leaders in this Government who help to enact legislation favorable to the labor-leader racketeers, and to fight those who are opposed to the racketeering which is going on.

The situation became so bad during the war that a man could not get a job working for his own Government unless he joined one of the unions and paid a racketeering fee, under the closed-shop system.

I knew a man who had boys fighting in the armed services. They did not have the weapons with which to fight, and this man could not get a job in factories where weapons were supposed to be made because he was not a member of the union.

So it is not only the OPA, but every other department of the New Deal, that we must fight if we are to recover the American form of government. I say "recover" advisedly, because it is gone. We no longer have our American form of government. Boys on the football field sometimes lose the ball and later recover it. We have lost the ball. I hope we are able to recover it.

This is only one phase of the thing which we are fighting.

I wish to have it distinctly understood that in any remarks I make I am not impugning the motives of any Member of the Senate. I have the highest respect for Senators. I think the Senate has been a rubber stamp for the New Deal for a long time, but Senators have a right to be rubber stamps if they so desire. I am not disputing their rights. Perhaps they are rubber stamps, and perhaps they are not. That does not destroy my respect for a Member of the United States Senate. I am an American, and I will go down the line with anything the Congress says we must do. I will abide by its judgment and decision; but I will stand up and condemn it when I think it is wrong. I have a right to do so.

Two weeks ago when it seemed there was no chance whatever to stop the renewal of OPA I saw a slender chance. I tried to see if there was anything that could be done, and I called for volunteers to help me. I thought that if we could discuss the thing until it died a natural death on June 30 at midnight that would be a great victory. We would have a little freedom once again. It did not seem possible to do it. I called for help, and some Senators responded. I appreciate their help very much.

Afterward I received a little help from an unexpected source, when President Truman vetoed the bill. He had his own reasons for vetoing it. I do not know what they were. But I am glad he vetoed it. After we had delayed the bill in the Senate as long as possible, he vetoed it; and after he vetoed it there was not time to renew it before it died—thank God! It was dead and buried. The President tried to stampede the Congress into renewing it, but the sturdy old Senate stood its ground. It was not difficult. Things just happened in that way. There was not enough time. Whenever unanimous consent was requested for anything I objected, and continued to object until the OPA was dead. It died

on Sunday, which gave us an opportunity to celebrate its death on the Fourth of July, Independence Day.

The House came along and put the rubber stamp on a 20-day extension, and sent the measure over here. We tore it to pieces. I felt that the longer we could enjoy our freedom—freedom to sell a pound of butter, a dozen eggs, or a bushel of wheat in open free exchange—the better off our Nation would be. I thought that if we could persuade a few more Senators to talk we could continue to talk indefinitely. As I have previously stated, one could talk for a year saying bad things about OPA without saying all the bad things that should be said. And I got a lot of support this time. I certainly want to thank every Senator who has talked here; and almost every one of them has talked longer than I have.

So here we are. We have a bill.

In the early stages of this debate I thought if I would attach this stinking old FEPC bill to the OPA bill, I would get some support. I knew some fellows who talked about the FEPC bill before when it was dragged in here. So I thought it might be a good idea to offer the FEPC bill as an amendment to the OPA bill or the OPA joint resolution. I thought, of course, it would be voted for, because the FEPC seems to have some friends around here who thought we should enact the FEPC. I did not think so; I thought the FEPC bill was a bad bill. But I will not quarrel with any Senator who thinks it is a good bill and should be passed, because every Senator has a right to think as he pleases. But I thought if some Senators liked the FEPC bill in January, they might like it in July—these great social supporters and uplifters. The colored folks think they are as good as we are now; but some white folks have told them they are not and that they want to pick them up and put them on a level with them. There is a song about "Will you love me in December as you loved me in May?"—or something like that. I think there should be a parody written on that for the colored folks to sing, to the people who thought we should have an FEPC. It should be entitled "Do You Love Me in July as You Did Last January?" [Laughter.]

Mr. President, I know that almost everyone in the Senate tries to be consistent and tries to be fair. I thought that we had a couple of carcasses that died on June 30; both the FEPC and the OPA died then, at the stroke of midnight on June 30. I thought if we were going out—well, Mr. President, I would not like to speak of Senators as going out as ghouls, because that would not sound nice—but I thought that if anybody but Senators were going out to the graveyard as ghouls to dig up old Simon Legree OPA, they might as well dig up Little Topsy FEPC at the same time. If they were going to bring back Simon Legree with his whip and his cruel tactics and were going to impose him on the Nation, I thought they might just as well bring back Little Topsy, too. [Laughter.]

I said I intended to offer that amendment, and I certainly did intend to do so, although I am opposed to it. But I

thought if it were introduced, there would be a lot of talking on it. But we got a lot of talking without it.

I do not believe I would gain very much now by dropping the FEPC atomic bomb on this wrecked OPA bill that has been torpedoed by all these Senators with all these amendments. I do not think I would gain very much by doing that. So I am just trying to decide whether I should give up the idea of offering the FEPC bill [Laughter.] I think about all the damage has been done to this OPA bill that can be done, unless we can get the Senate to adopt a motion that in some way would strike out all of the names of the authors of the amendments, and would substitute the name of Taft to all the amendments that are not already called Wherry amendments—just change the name of the amendments, so that we shall have either Wherry amendments or Taft amendments. That might induce Mr. Truman to veto this thing when it gets to him; although I cannot be sure and I do not know. [Laughter.]

Mr. President, I hope he does veto it. He will be pretty smart if he does veto it, because somebody is going to get the blame for this depression that is coming. Somebody is going to get the blame for this trouble that is ahead of us. Somebody is going to get the blame for the advancing prices that are caused by the stopping of production. If Mr. Truman can just say, "Well, that bill is no good. We will just do away with it," then the OPA will not be here any more, and so people cannot blame the Democrats and the OPA when the crash comes along there in November or some other time. I do not know just when it is going to come, but it will come, just as sure as the world. It always does, and it will come this time with intensity.

But the way the situation is now, I think we might just as well go ahead and pass this bill and go home. I am not going to tie this audience up any longer—these sleepy Senators. I am just going to thank each and every one of the Members of the Senate for the part they have played in talking for 12 days. As a matter of fact, we are now in the thirteenth day, I believe. We cannot do much on Saturday anyhow. Maybe our freedom will run on until Monday, or longer. I hope OPA is never renewed.

Mr. President, this business which the Senate has conducted has been legitimate business. The proceedings have been handled in accordance with the rules of the Senate. Senators have spoken their views, and they have voted as they wished to vote. So here is the bill now. I believe there are no more amendments to be offered. I believe we are up to the point of final passage of this bill.

Now, Mr. President, here is what I hope. I hope that when this bill goes to conference, the conference committee will not make a farce out of our legislative system. I hope the conferees will regard carefully the law which has been written here in the Senate. I am not insinuating that they will not. But I believe in the majesty of the law, and I believe in carrying it on as a sincere arm of our Government. I do not like to

see it tampered with. I do not like to see it played with or belittled or dragged down. I wish to have it held up on a high pinnacle. I do not approve of this law at all, and you never could fix up this law so that it would suit me. I believe in the American citizens and I believe they have sense enough to run their own business, and therefore I hope we do not have any OPA. Nevertheless, if we are going to have one, I hope that the wishes as specified in this bill as it goes to the conference committee will be accepted, because those amendments were proposed by sincere honest men and they were voted on by sincere honest men.

So, Mr. President, with those few remarks, if I have made it clear that I am against the OPA and the New Deal, I am going to forego the introduction or the offering of the FEPC amendment. I do not think it is necessary. I think the old bill has been scuttled the way it is. I think it has been damaged. It is no good, anyhow, the way it is; but I am going to hope that it comes out of the conference committee in just the same shape that it goes in there, and that Mr. Truman, our President, will veto it when it gets back down to his house.

Mr. TAYLOR. Mr. President, I believe that the rules of the Senate forbid any Member to cast aspersions upon the motives or integrity of any other Member. I shall not make a point of order at this time; but, even though other Members of the Senate may care to let go unchallenged or to let pass unnoticed the statement of the Senator from Texas [Mr. O'DANIEL] that all the Members of this body cared about were votes, I do not propose to do so. I wish to say that I care nothing for votes as votes. I will go out and fight for votes merely because they give me an opportunity to serve the common people of America in the United States Senate. I will not compromise with the things I believe in, for the sake of votes. If the Senator from Texas, speaking for himself, wishes to say that all the Members of the Senate care about is votes, I will be the last one to deny him that privilege, or to say that it was an untrue statement insofar as he was concerned.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. HAWKES. Mr. President, before we proceed to vote, I wish to take only 2 or 3 minutes of the time of the Senate to read into the RECORD at this point an editorial which appeared in the April issue of the Farm Journal. The editorial is entitled "What Is Your Price?" It reads as follows:

WHAT IS YOUR PRICE?

If price ceilings are ended, and the OPA closed up on June 30, it may cost you money. You may be one of a great many people who will have to buy things or pay rent for awhile at scarcity prices.

That will hurt, of course. None of us likes to pay out more money and get less.

So, let's ask ourselves a really touchy question: "Is freedom worth any money?"

Some Massachusetts farmers just 171 years ago this April thought freedom was worth more than money. They were angry about unfair taxes. They wanted to be free to buy and sell as they pleased. They refused to let government be their master. They were

joined by other farmers and patriots. Let by a Virginia farmer, they finally won. The struggle cost lives and blood-shed and a great deal of money.

Their success made all Americans free. Being free the generations that followed become more prosperous than any people had ever been. No people have ever prospered under a master government.

OPA, like King George III, encroaches on individual freedom, the principle our fighting ancestors made so conspicuously American. Even if OPA policy did not prevent production, and in the long run cost us more than it saves us, Government price-fixing is absolutely wrong in peace time. It makes Government the master rather than the servant.

Can modern American sacrifice for principle? Are we to ask OPA to continue to regulate us, because temporarily a few dollars will be saved? Or do we in 1946 have a little of the same kind of courage to stand for freedom that we gratefully thank our Revolutionary forebears for having had?

Will our grandchildren point with pride to our resistance to encroaching tyranny? Or will they have to regret that we put money above principle?

What is your price for freedom?

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). The question is on agreeing to the committee amendment, as amended.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the joint resolution.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass?

Mr. BRIDGES. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WAGNER (when his name was called). I have a pair with the Senator from Kansas [Mr. REED]. I understand that if present and voting, he would vote as I intend to vote. I am, therefore, free to vote. I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to

participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BYRD], and the Senator from South Carolina [Mr. MAYBANK] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the Commission appointed to attend the Philippine Independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Indiana [Mr. WILLIS]. If present the Senator from Indiana would vote "nay," and the Senator from New Hampshire would vote "yea."

The pair of the Senator from Kansas [Mr. REED] has been announced heretofore. If present the Senator from Kansas would vote "yea."

The result was announced—yeas 62, nays 15, as follows:

YEAS—62

Alken	Hayden	Murray
Austin	Hill	Myers
Barkley	Hoey	O'Mahoney
Brewster	Huffman	Overton
Briggs	Johnson, Colo.	Radcliffe
Burch	Johnston, S. C.	Revercomb
Capper	Kilgore	Russell
Carville	Knowland	Smith
Chavez	La Follette	Stanfill
Cordon	Langer	Stewart
Donnell	Lucas	Swift
Downey	McCarran	Taft
Eastland	McClellan	Thomas, Okla.
Ferguson	McKellar	Thomas, Utah
Fulbright	McMahon	Tunnell
George	Magnuson	Wagner
Gerry	Mead	Walsh
Gossett	Millikin	White
Green	Mitchell	Wiley
Hart	Morse	Young
Hawkes	Murdock	

NAYS—15

Ball	Capehart	Pepper
Bridges	Guffey	Robertson
Brooks	Gurney	Taylor
Buck	Moore	Wherry
Bushfield	O'Daniel	Wilson

NOT VOTING—19

Andrews	Hatch	Tobey
Bailey	Hickenlooper	Tydings
Bilbo	McFarland	Vandenberg
Butler	Maybank	Wheeler
Byrd	Reed	Willis
Connally	Saltonstall	
Ellender	Shipstead	

So the joint resolution (H. J. Res. 371), as amended, was passed.

Mr. BARKLEY. I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WAGNER, Mr. BARKLEY, Mr. RADCLIFFE, Mr. DOWNEY, Mr. TOBEY, Mr. TAFT, and Mr. MILLIKIN conferees on the part of the Senate.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the joint resolution just passed be printed in the RECORD with the Senate amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Resolved, That the joint resolution from the House of Representatives (H. J. Res. 371) entitled "Joint resolution extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended," do pass with the following amendment:

Strike out all after the resolving clause and insert:

"That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out 'June 30, 1946' and substituting 'June 30, 1947.'"

"SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out June 30, 1946" and substituting June 30, 1947."

"SEC. 3. Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section as follows:

"PURPOSES AND POLICIES IN THE TRANSITION PERIOD

"SEC. 1A (a) Objectives: The Congress hereby affirms—

"(1) that because of abnormally excess spending power in relation to the presently available supply of commodities, rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living and costs of production (including labor costs), for the purposes set forth in section 1 of this act and for further purposes of protecting the real value of benefits provided by law for veterans and their dependents, of keeping faith with purchasers of United States War Bonds, and of making possible a successful transition to a peacetime economy of maximum employment, production, and purchasing power under a system of free enterprise;

"(2) that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to such a peacetime economy and would tend to repress and prevent the attainment of this and the other goals herein declared; and

"(3) that adequate prices are necessary stimulants to the production thus desired and the expeditious attainment of said goals.

"(b) Declaration of decontrol policy: Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later

than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

"(c) Recommendations by the President to the Congress: (1) As soon as practicable after the enactment of this section and in any event on or before January 15, 1947, the President shall recommend to the Congress such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter.

"(2) On or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government (other than the Office of Price Administration) which should be charged with the administration of such powers.

"(d) Decontrol of nonagricultural commodities: (1) On or before December 31, 1946, the Administrator shall decontrol all nonagricultural commodities not important in relation to business costs or living costs, and prior to that date shall proceed with such decontrol as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. In no event shall maximum prices be maintained after December 31, 1946, for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

"(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements).

"(3) Whenever, after a reasonable test period, it appears that the supply of a nonagricultural commodity which has been decontrolled is no longer consistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this act.

"(4) Nothing contained in this act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum and petroleum products processed or manufactured in whole or substantial part from petroleum, unless the Price Decontrol Board established under subsection (h) shall have first determined and certified in writing to the Administrator that the supply of crude petroleum or the particular petroleum product on which price controls are to be imposed or maintained, is insufficient to meet the domestic consumptive demand therefor.

"(e) Agricultural commodities: (1) On the first day of the first calendar month which begins more than 30 days after the date of enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which such Secretary determines to be in short supply. Thereafter, on the first day of each succeeding calendar month the Secretary shall certify modifications of such certification by adding other agricultural commodities which have become in short supply and by removing from such certification such commodities which he determines are no

longer in short supply. No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than 30 days after the date of enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

"(2) (A) Whenever the Secretary of Agriculture determines that maximum prices applicable to any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity.

"(B) The Secretary of Agriculture by December 31, 1946, shall recommend to the Price Administrator the removal of maximum prices on all agricultural commodities, whether or not in short supply, not important in relation to business costs or living costs, and prior to that date shall make such recommendations as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect.

"(C) Within 10 days after the receipt of any recommendation under this subsection for the adjustment of maximum prices applicable to any agricultural commodity, or for the removal of maximum prices on agricultural commodities not important in relation to business costs or living costs, the Price Administrator shall adjust or remove such maximum prices in accordance with such recommendations.

"(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this act.

"(4) For the purposes of this section (except subparagraph (6) of this subsection (d))—

"(A) an agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season;

"(B) the term "agricultural commodity" shall be deemed to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity.

"(5) Notwithstanding any other provision of this or any other law, except as provided in subsection (h), the Secretary of Agriculture, in exercising his functions under this act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, and no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. The Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under this act, and upon the withdrawal of his approval such action shall be rescinded.

"(6) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with

respect to such commodity had been issued under this act prior to April 1, 1946.

"(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to livestock, poultry, or eggs; or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

"(8) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to cottonseed, soy beans, or products processed or manufactured in whole or substantial part from cottonseed or soy beans.

"(9) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to milk, or food or feed products processed or manufactured in whole or substantial part from milk.

"(10) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, and any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

"(11) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to leaf tobacco and tobacco products processed or manufactured in whole or a substantial part therefrom.

"(12) In establishing maximum prices for sales of finished woven fabrics made primarily of cotton fiber or for the sales of apparel made therefrom it shall be unlawful for the Administrator to establish or maintain differentials in the method of determining the basic grey-goods cost or the finished-woven-fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

"(f) Saving provision: Nothing in this section shall limit the Administrator's authority to remove maximum prices for any nonagricultural commodity, or any agricultural commodity with the approval of the Secretary of Agriculture, at an earlier time than would be required by this section, if in his judgment or in the judgment of the Secretary of Agriculture, as the case may be, such action would be consistent with the purposes of this section.

"(g) Petitions for decontrol: (1) If in the judgment of the industry advisory committee appointed by the Administrator in accordance with section 2 (a) of this act to advise and consult with respect to a commodity, the standards set forth in this section require the removal of maximum prices for such commodity, it may file a petition for the removal of such maximum prices. In the case of any nonagricultural commodity, such petition shall be filed with the Administrator in accordance with regulations prescribed by him. In the case of agricultural commodities, such petition shall be filed with the Secretary of Agriculture in accordance with regulations prescribed by him and shall request that he make an appropriate certification or recommendation to the Price Administrator. The petition shall specifically state the grounds upon which the committee believes such action to be required and shall be accompanied by affidavits or other written evidence in support thereof.

"(2) Within 15 days after receiving a petition filed in accordance with the provisions of this subsection, the Administrator or the Secretary of Agriculture, as the case may be, shall either grant the petition or inform the committee in writing why in his judgment the standards for decontrol stated in subsections (d) and (e) have not been satisfied with respect to the commodity involved. If the petition is not granted in full, the Administrator or the Secretary, as the case may

be, shall, within 10 days after the receipt of a request by the committee for further consideration of its petition, hold a hearing before himself or before a deputy administrator (or, in the case of the Secretary, before such officer as he may designate) at which the committee may present its argument in support of the petition. The Consumers' Advisory Committee and the Labor Advisory Committee appointed by the Administrator shall be given notice of any such hearing and an opportunity to present their views with respect to the petition and may, not later than 5 days prior to such hearing, present in writing evidence relating thereto. Within 15 days after such hearing, the Administrator or the Secretary, as the case may be, shall either grant the petition in full or furnish the industry advisory committee with a statement in writing of his reasons for denying it in whole or in part together with a statement of any economic data or other facts of which he has taken official notice in connection with such denial.

"(3) At any time within 30 days after the denial in whole or in part, following a hearing, of a petition filed under this subsection, the petitioning industry advisory committee may petition the Price Decontrol Board established under subsection (h) for a review of the action of the Administrator or the Secretary of Agriculture. If the Administrator or the Secretary, as the case may be, fails to act upon a petition within the time prescribed by paragraph (2), the industry advisory committee may, at any time within 30 days after the expiration of the time so prescribed, petition the Price Decontrol Board for the removal of maximum prices on the commodity involved.

"(4) Nothing in this section shall be construed to take away or impair any right of any person to protest, in accordance with the provisions of sections 203 and 204 of this act, the further maintenance of maximum prices for a commodity under the standards of subsection (d) or (e): *Provided*, That the filing of such a protest or of a petition under paragraph 3 of this subsection shall not be grounds for staying any proceeding brought pursuant to section 205 of this act or section 37 of the Criminal Code, and no retroactive effect shall be given to any judgment setting aside a provision of a regulation, order, or price schedule under the standards set forth in this section.

"(h) Price Decontrol Board: (1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall constitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of \$12,000 a year.

"(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board.

"(3) A petition made under subsection (g) (3) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's or Secretary's reasons for believing that maximum prices on the commodity involved should not be removed, together with a statement of any economic data or other facts of which he has taken official notice. At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary, as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence, the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing on any petition, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board. Orders of the Board shall not be subject to modification or review by any other department or agency or by any court.

"(4) No petition may be filed with the Board with respect to any commodity within a period of 3 months after the issuance of an order of the Board with respect to the same commodity.

"(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which is within the jurisdiction of the Board.

"(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it deems proper upon the record or may conduct a new hearing upon the petition before the Board.

"Sec. 4. Section 2 (a) of the Emergency Price Control Act of 1942, as amended, is

amended by adding at the end thereof the following new sentence: 'In administering the provisions of this subsection relating to the establishment of industry advisory committees, the Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region.'

"Sec. 5. Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof a new paragraph as follows:

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in the investment, operation, expenses, and mechanical details of operation between the transient hotels and the residential and apartment hotels, and is directed to classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourist courts, rooming houses, and boarding houses.'

"Sec. 6. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations for the fiscal year ending June 30, 1947, of the Commodity Credit Corporation and the Reconstruction Finance Corporation: *Provided*, That with respect to such corporations and such operations, the making of subsidy payments and buying for resale at a loss shall be limited as follows:

"Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

"(1) With respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, \$31,000,000.

"(2) With respect to copper, lead, and zinc, in the form of premium price payments. \$100,000,000: *Provided*, That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and (i) adjustments shall be made to encourage exploration and development work, (ii) adequate allowances shall be made for depreciation and depletion, and (iii) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

"(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

"(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, \$869,000,000: *Provided*, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than \$623,000,000 during the last 6 months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended: *Provided*, That subsidies with respect to petroleum produced from stripper wells shall be continued at not to exceed the

existing rates. No new subsidy or purchase and sale operations shall be undertaken under the authority of this subparagraph (4), and no change shall be made in the basis of any existing operations for which funds are made available under this subparagraph which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

"(b) When any direct or indirect subsidy to an industry is reduced or terminated, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies and differential subsidies to high-cost producers.

"(c) Where roll-back subsidies have previously been or presently are in effect, and have been discontinued, or shall hereafter be discontinued, the industries which have received such subsidies shall be permitted to increase their ceiling prices at least an amount equivalent to the amount of the discontinued roll-back subsidy. Such price increase shall become effective either upon discontinuance of the roll-back subsidy or upon passage of this act, whichever date is the later. For the purposes of this paragraph, the term 'roll-back subsidies' means subsidy payments, or purchases and sales of a commodity at a loss by the Government of the United States (including any Government-owned or controlled corporation), or contracts therefor, which resulted directly or indirectly in the lowering of ceiling prices below the maximum price levels established by the Office of Price Administration prior to the institution of the subsidy payments or purchases and sales at a loss, or the execution of the contracts therefor, whichever date is the earlier.

"(d) Nothing in this section shall be construed to affect the provisions of Public Laws 30, 88, 164, and 328 of the Seventy-ninth Congress, or to prevent the use of the sums authorized in such laws to fulfill obligations incurred prior to July 1, 1946, with respect to operations prior to such date.

"(e) Notwithstanding any of the foregoing provisions of this section 6, 1946 and 1947 crop program operations with respect to sugar, may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. For the purpose of this section 6, no subsidy program operation on sugar shall be considered to be a new subsidy: *Provided*, That Commodity Credit Corporation or any other Government agency shall not absorb any increase in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946.

"(f) Nothing in this section shall be construed as a limitation upon operations authorized by the Veterans' Emergency Housing Act of 1946 (Public Law 388, 79th Cong.).

"Sec. 7. Section 2 (i) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(i) For the purposes of this act and the Stabilization Act of 1942, as amended, fish and other sea food shall be deemed to be agricultural commodities, and the commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: *Provided*, That the provisions of section 3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or substantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942.'

"Sec. 8. Section 2 (j) of the Emergency Price Control Act of 1942, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: 'or (5) as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer.'

"Sec. 9. Section 2 (k) of the Emergency Price Control Act of 1942, as amended, is amended by inserting the words 'or any operator of any service establishment' after the words 'seller of goods at retail.'

"Sec. 10. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections:

"(o) No maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity to which no maximum price is applicable with respect to sales to restaurants and other eating establishments, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined, under the applicable maximum price regulation or order, by the addition of a customary margin to the acquisition cost of such item.

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established peacetime retail trade discounts or mark-ups or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of 6 months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit sales of such commodity for a period of 6 months shall have reached the average annual wholesale unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(s) No maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity (treating as a single commodity for the purposes of this paragraph all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed by the Office of Price Administration under a single regulation) if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a

majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such distributive trade were less than 100 percent of the deliveries thereof in the corresponding quarter of 1945.

"(t) In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow for the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

"(u) After the date upon which this subsection takes effect, no maximum price shall be established or maintained, under this act or under any other provision of law, with respect to any new commodity when the Administrator upon application finds that its use, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured, or processed. As used in this subsection the term "new commodity" means a commodity which was not commercially or industrially available prior to January 30, 1942.'

"Sec. 11. The Emergency Price Control Act of 1942, as amended, is amended by inserting after section 5 thereof the following new section:

"SEC. 6. (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal-year basis, the industry's fiscal year 1940.

"(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry (including any industry furnishing service or transportation the charges for which are now subject to the Administrator's control) which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period: *Provided, however*, That in the case of logs, lumber, and lumber products, the maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current costs of production. The ceiling price of timber used or the current market price shall be considered the cost of such timber.

"(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including reasonable adjustments for conditions resulting from abnormal volume of production.

"(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

"(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act.

"(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of

the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

"(g) As used in this section, 'product' shall mean any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or article shall be considered as one product.

"(h) The provisions of this section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

"(i) Nothing in this section shall be construed to require any adjustment in maximum prices except pursuant to an application filed under this paragraph; or be construed to invalidate any maximum price unless there is a failure to make adjustments, in accordance with the procedure prescribed in this paragraph, to such extent as may be required to comply with the standards set forth in this section. Any industry advisory committee may apply to the Administrator for the adjustment of the maximum prices applicable to any product in accordance with the standards set forth in this section, and shall present with the application comprehensive evidence with respect to costs and prices. The Administrator shall consider the evidence so presented and all evidence otherwise available to him and, within 60 days after the receipt of such application, he shall make the adjustments in maximum prices required by this section, or, if he finds that no such adjustments are required, he shall deny the application. If the Administrator fails to make the adjustments in the maximum prices for any product required by this section or to deny the application within the 60-day period prescribed in this paragraph, the industry advisory committee concerned may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to make such adjustments or deny such application within such time, not to exceed 30 days, as may be fixed by the court. If the Administrator fails to make such adjustments or deny such application within the time so fixed, no maximum price shall thereafter be applicable with respect to any sale of such product by any seller."

"SEC. 12. (a) The second sentence of section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: 'In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than \$25 nor more than \$50, as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation.'

"(b) Section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"The Administrator may not institute any action under this subsection on behalf of the United States, or, if such action has been instituted, the Administrator shall withdraw the same—

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration; or

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, or to any public housing authority whose operations are supervised or financed in whole or in part by any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"The Administrator shall not institute or maintain any enforcement action under this subsection against any manufacturer of apparel items where the Administrator shall determine (1) that the transactions on which such proceeding is based consisted of the manufacturer's selling such an item at his published March 1942 price list prices instead of his March 1942 delivered prices, and (2) that the seller's customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices. The Administrator's determinations under this paragraph shall be subject to review by the Emergency Court of Appeals in accordance with sections 203 and 204."

"SEC. 13. The third sentence of paragraph (2) of section 205 (f) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: 'If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no suspension shall be for a period of more than 12 months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed.'

"SEC. 14. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive)."

"SEC. 15. The Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is hereby authorized to allocate feed which he controls to feeders of livestock and poultry in domestic areas which he may determine to be in an emergency shortage condition with respect to animal and poultry feed.

"SEC. 16. (a) In the event producers of wheat are required by an order issued pursuant to the Second War Powers Act, 1942, as amended, to sell all or any part of wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat so required to be sold at a price determined as follows:

The purchase price paid for the wheat shall be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947, inclusive: *Provided, however,* That only one election may be made for each lot of wheat: *And provided further,* That the producer may not elect a date prior to the date on which he mails a written notice to Commodity Credit Corporation of his election. In the event the producer does not notify Commodity Credit Corporation in writing by March 31, 1947, of his election of a date for determining the market price, such date shall be deemed to be March 31, 1947.

"(b) Any producer of wheat who, prior to the date of enactment of this act, has sold any wheat pursuant to the requirements of paragraph (ee) (1) of War Food Order No. 144, may, at any time within 30 days after the date of enactment of this act, pay to the Commodity Credit Corporation a sum equal to the amount of which he sold such wheat. Any producer paying any such sum to the Commodity Credit Corporation shall be deemed to have sold and delivered to the Commodity Credit Corporation as of the date he pays such sum a quantity of wheat equal in grade and quality to the quantity sold by him pursuant to such requirements and the purchase price to be paid to him for such wheat shall be determined in the same manner as in the case of a sale of wheat to the Commodity Credit Corporation pursuant to the provisions of subsection (a) of this section.

"SEC. 17. This act may be cited as the 'Price Control Extension Act of 1946.'

"SEC. 18. (1) The provisions of this act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this act had been enacted on June 30, 1946: *Provided,* That in any case in which the Emergency Price Control Act of 1942 (except secs. 204 and 205), as amended, or the Stabilization Act of 1942 (except secs. 8 and 9), as amended, or any regulation, order, or requirement under either of such acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this act, both inclusive: *Provided further,* That no act or transaction occurring subsequent to June 30, 1946, and prior to the date of enactment of this act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such acts: *Provided further,* That insofar as the provisions of this act require any change in any maximum price, such provisions shall not be deemed to require such change to be made before the thirtieth day following the date of enactment of this act.

"SEC. 19. (a) Whenever any State has established or may hereafter establish provisions for the control and regulation of the rent of housing accommodations within its boundaries and the Governor of any State notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended, and no regulations, orders, or requirements thereunder (except as to of-

fenses committed prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall be applicable within such State.

"(b) The Administrator is authorized and directed to cooperate with any such State to the fullest extent; and, to that end, he shall make available to the proper officials of such State such records and other information in his possession which may be requested by such State to enable it to effectively control and regulate such rents.

"SEC. 20. Subsection (a) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end of the subsection and inserting in lieu thereof the following: 'Provided, That no maximum price shall be imposed on pulpwood in any State at a price less than 100 percent of the highest maximum price established for pulpwood derived from trees of the same genus in any other State, zone, or region, except that fair and equitable differentials may be established between peeled and rough pulpwood.'"

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. LANGER introduced Senate bill 2434, to increase the subsistence allowances for veterans receiving educational benefits under the Servicemen's Readjustment Act of 1944, as amended, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. TAFT:

S. 2435. A bill for the relief of Mrs. Yoshi Yokoya; to the Committee on Immigration.

REORGANIZATION PLAN NO. 3

Mr. McCARRAN. Mr. President, I move that the Senate proceed to the consideration of Senate Concurrent Resolution 66.

The motion was agreed; and the Senate proceeded to consider the concurrent resolution, which had been reported adversely by the Committee on the Judiciary.

Senate Concurrent Resolution 66 is as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress does not favor the Reorganization Plan No. 3 transmitted to Congress by the President on May 16, 1946.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HUFFMAN in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HAYDEN, from the Committee on Territories and Insular Affairs:

Ingram M. Stainback, of Hawaii, to be Governor of the Territory of Hawaii. (Reappointment.)

By Mr. CHAVEZ, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

FOREIGN SERVICE

The legislative clerk read the nomination of George H. Butler, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Clyde M. Berry to be senior assistant scientist, effective date of oath of office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Dohrman H. Byers, to be senior assistant scientist, effective date of oath of office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Lewis J. Cralley to be senior assistant scientist, effective date of oath of office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. I ask unanimous consent that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon today.

The motion was agreed to; and (at 1 o'clock and 59 minutes a. m.), Saturday, July 13, 1946, the Senate took a recess until 12 o'clock meridian the same day.

NOMINATIONS

Executive nominations received by the Senate July 12 (legislative day of July 5), 1946:

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE BRIGADIER GENERAL

Col. Herbert Norman Schwarzkopf (lieutenant colonel, Infantry, National Guard of the United States), Army of the United States.

IN THE NAVY

Albert L. O'Bannon, an officer in the United States Naval Reserve, to be an ensign in the line of the Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 12 (legislative day of July 5), 1946:

FOREIGN SERVICE

George H. Butler to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

UNITED STATES PUBLIC HEALTH SERVICE

APPOINTMENT IN THE REGULAR CORPS

To be senior assistant scientists, effective date of oath of office

Clyde M. Berry
Dohrman H. Byers
Lewis J. Cralley

79TH CONGRESS
2D SESSION

H. J. RES. 371

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JULY 5), 1946

Ordered to be printed with the amendment of the Senate

JOINT RESOLUTION

Extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That section 1 (b) of the Emergency Price Control Act of
4 1942, as amended, is amended by striking out "June 30,
5 1946" and substituting "July 20, 1946".

6 SEC. 2. Section 6 of the Stabilization Act of 1942, as
7 amended, is amended by striking out "June 30, 1946" and
8 substituting "July 20, 1946".

9 SEC. 3. The last paragraph of section 2 (e) of the
10 Emergency Price Control Act of 1942, as amended by the

1 Stabilization Extension Act of 1944, shall not apply with
2 respect to operations of the Commodity Credit Corporation
3 and the Reconstruction Finance Corporation until July 20,
4 1946: *Provided*, That no new subsidy or purchase and sale
5 operations shall be undertaken under the authority of this
6 section, and no change shall be made in the basis of any
7 operations existing on June 29, 1946, for which funds are
8 made available under this section which will increase the
9 rate of any subsidy or the rate of loss incurred with respect
10 to any commodity.

11 SEC. 4. The provisions of this joint resolution shall take
12 effect as of June 30, 1946, except as to offenses committed
13 subsequent to June 30, 1946, and prior to the date of the
14 enactment of this joint resolution, and no suit, action, or
15 prosecution shall be instituted with respect to any such
16 offenses.

17 *That section 1 (b) of the Emergency Price Control Act of*
18 *1942, as amended, is amended by striking out "June 30.*
19 *1946" and substituting "June 30, 1947".*

20 SEC. 2. Section 6 of the Stabilization Act of 1942, as
21 amended, is amended by striking out "June 30, 1946" and
22 substituting "June 30, 1947".

23 SEC. 3. Title I of the Emergency Price Control Act of

1 1942, as amended, is amended by inserting after section 1
2 thereof a new section as follows:

3 “PURPOSES AND POLICIES IN THE TRANSITION PERIOD

4 “SEC. 1A. (a) OBJECTIVES.—The Congress hereby
5 affirms—

6 “(1) that because of abnormally excess spending
7 power in relation to the presently available supply of
8 commodities, rapid attainment of production equal to
9 the public demand is one of the necessary and urgent
10 objectives for the prevention of inflation and for the
11 achievement of a reasonable stability in the general level
12 of prices and rents, cost of living and costs of produc-
13 tion (including labor costs), for the purposes set forth
14 in section 1 of this Act and for the further purposes of
15 protecting the real value of benefits provided by law for
16 veterans and their dependents, of keeping faith with pur-
17 chasers of United States War Bonds, and of making
18 possible a successful transition to a peacetime economy
19 of maximum employment, production, and purchasing
20 power under a system of free enterprise;

21 “(2) that unnecessary or unduly prolonged controls
22 over prices and rents and use of subsidies would be incon-
23 sistent with the return to such a peacetime economy and

1 *would tend to repress and prevent the attainment of this*
2 *and the other goods herein declared; and*

3 *“(3) that adequate prices are necessary stimulants to*
4 *the production thus desired and the expeditious attainment*
5 *of said goals.*

6 *“(b) DECLARATION OF DECONTROL POLICY.—There-*
7 *fore, it is hereby declared to be the policy of the Congress that*
8 *the Office of Price Administration, and other agencies of the*
9 *Government, shall use their price, subsidy, and other powers*
10 *to promote the earliest practicable balance between production*
11 *and the demand therefor of commodities under their control,*
12 *and that the general control of prices and the use of subsidy*
13 *powers shall, subject to other specific provisions of this Act,*
14 *be terminated as rapidly as possible consistent with the policies*
15 *and purposes set forth in this section and in no event later*
16 *than June 30, 1947, and on that date the Office of Price*
17 *Administration shall be abolished.*

18 *(c) RECOMMENDATIONS BY THE PRESIDENT TO THE*
19 *CONGRESS.—(1) As soon as practicable after the enactment*
20 *of this section and in any event on or before January 15,*
21 *1947, the President shall recommend to the Congress such*
22 *further legislation as in his judgment is needed to establish*
23 *monetary, fiscal, and other policies which are adequate to*
24 *supplement the control of prices and wages during the balance*
25 *of the fiscal year 1947, and to insure that general control of*

1 *prices and wages can be terminated by the end of that fiscal*
2 *year without danger of inflation thereafter.*

3 “(2) *On or before April 1, 1947, the President shall*
4 *report to the Congress what, if any, commodities or classes of*
5 *commodities, including housing accommodations, are in such*
6 *critically short supply as to necessitate, in his judgment, the*
7 *continuance of the powers granted by this Act as to them after*
8 *June 30, 1947, together with his recommendations as to estab-*
9 *lished departments or agencies of the Government (other than*
10 *the Office of Price Administration) which should be charged*
11 *with the administration of such powers.*

12 (d) *DECONTROL OF NONAGRICULTURAL COMMODI-*
13 *TIES.—(1) On or before December 31, 1946, the Adminis-*
14 *trator shall decontrol all nonagricultural commodities not*
15 *important in relation to business costs or living costs, and*
16 *prior to that date shall proceed with such decontrol as rapidly*
17 *as, in his judgment, will be consistent with the avoidance of a*
18 *cumulative and dangerous unstabilizing effect. In no event*
19 *shall maximum prices be maintained after December 31,*
20 *1946, for any nonagricultural commodity or class of commod-*
21 *ities unless the same has been expressly found by the Admin-*
22 *istrator to be important in relation to business costs or living*
23 *costs.*

24 “(2) *The Administrator shall provide for the prompt*
25 *removal of maximum prices in the case of any nonagricul-*

1 tural commodity whenever the supply thereof exceeds or is in
 2 approximate balance with the demand therefor (including
 3 appropriate inventory requirements).

4 “(3) Whenever, after a reasonable test period, it ap-
 5 pears that the supply of a nonagricultural commodity which
 6 has been decontrolled is no longer consistent with the applic-
 7 able decontrol standard, the Administrator, with the advance
 8 consent in writing of the Price Decontrol Board established
 9 under subsection (h), shall reestablish such maximum prices
 10 for the commodity, consistent with applicable provisions of
 11 law, as in his judgment may be necessary to effectuate the
 12 purposes of this Act.

13 “(4) Nothing contained in this Act shall be construed to
 14 authorize the Administrator to impose or maintain price
 15 controls with respect to petroleum and petroleum products
 16 processed or manufactured in whole or substantial part from
 17 petroleum, unless the Price Decontrol Board established
 18 under subsection (h) shall have first determined and certified
 19 in writing to the Administrator that the supply of crude
 20 petroleum or the particular petroleum product on which
 21 price controls are to be imposed or maintained, is insufficient
 22 to meet the domestic consumptive demand therefor.

23 “(e) AGRICULTURAL COMMODITIES.—(1) On the first
 24 day of the first calendar month which begins more than thirty
 25 days after the date of enactment of this section, the Secretary

1 of Agriculture shall certify to the Price Administrator each
2 agricultural commodity which such Secretary determines to
3 be in short supply. Thereafter, on the first day of each
4 succeeding calendar month the Secretary shall certify modi-
5 fications of such certification by adding other agricultural
6 commodities which have become in short supply and by re-
7 moving from such certification such commodities which he
8 determines are no longer in short supply. No maximum
9 price shall be applicable with respect to any agricultural
10 commodity during any calendar month which begins more
11 than thirty days after the date of enactment of this section,
12 unless such commodity is certified to the Price Administrator
13 under this paragraph as being in short supply.

14 “(2) (A) Whenever the Secretary of Agriculture de-
15 termines that maximum prices applicable to any agricultural
16 commodity which is in short supply are impeding the necessary
17 production of such commodity, he may recommend to the
18 Price Administrator such adjustments in such maximum prices
19 as the Secretary determines to be necessary to attain the neces-
20 sary production of such commodity.

21 “(B) The Secretary of Agriculture by December 31,
22 1946, shall recommend to the Price Administrator the removal
23 of maximum prices on all agricultural commodities, whether
24 or not in short supply, not important in relation to business
25 costs or living costs, and prior to that date shall make such

1 *recommendations as rapidly as, in his judgment, will be con-*
2 *sistent with the avoidance of a cumulative and dangerous*
3 *unstabilizing effect.*

4 “(C) *Within ten days after the receipt of any recommen-*
5 *dation under this subsection for the adjustment of maximum*
6 *prices applicable to any agricultural commodity, or for the*
7 *removal of maximum prices on agricultural commodities not*
8 *important in relation to business costs or living costs, the*
9 *Price Administrator shall adjust or remove such maximum*
10 *prices in accordance with such recommendations.*

11 “(3) *Whenever the Secretary of Agriculture determines*
12 *that an agricultural commodity with respect to which maxi-*
13 *mum prices have been removed is in short supply and that*
14 *the reestablishment of maximum prices with respect thereto*
15 *is necessary to effectuate the purposes of this Act, the Secre-*
16 *tary, with the written consent of the Price Decontrol Board,*
17 *may recommend to the Administrator, and the Administrator*
18 *shall establish, such maximum prices with respect to such*
19 *commodity, consistent with applicable provisions of law, as*
20 *in the judgment of the Secretary are necessary to effectuate*
21 *the purposes of this Act.*

22 “(4) *For the purposes of this section (except subpara-*
23 *graph (6) of this subsection (d))—*

1 “(A) an agricultural commodity shall be deemed to
2 be in short supply unless the supply of such commodity
3 equals or exceeds the requirements for such commodity
4 for the current marketing season;

5 “(B) the term ‘agricultural commodity’ shall be
6 deemed to mean any agricultural commodity and any
7 food or feed product processed or manufactured in whole
8 or substantial part from any agricultural commodity.

9 “(5) Notwithstanding any other provision of this or any
10 other law, except as provided in subsection (h), the Secretary
11 of Agriculture, in exercising his functions under this Act,
12 shall not be subject to the direction or control of any other
13 appointive officer or agency in the executive branch of the
14 Government, and no such officer or agency shall undertake to
15 exercise any direction or control over the Secretary of Agri-
16 culture with respect to the exercise of such functions. The
17 Secretary of Agriculture may at any time withdraw his ap-
18 proval of any action with respect to which his approval is
19 required under this Act, and upon the withdrawal of his
20 approval such action shall be rescinded.

21 “(6) No maximum price and no regulation or order un-
22 der this Act or the Stabilization Act of 1942, as amended,
23 shall be applicable with respect to any agricultural commod-

1 *ity, or any service rendered with respect to any agricultural*
2 *commodity, unless a regulation or order establishing a maxi-*
3 *imum price with respect to such commodity had been issued*
4 *under this Act prior to April 1, 1946.*

5 “(7) *No maximum price and no regulation or order*
6 *under this Act or the Stabilization Act of 1942, as amended,*
7 *shall be applicable with respect to livestock, poultry, or*
8 *eggs, or food or feed products processed or manufactured in*
9 *whole or substantial part from livestock, poultry, or eggs.*

10 “(8) *No maximum price and no regulation or order*
11 *under this Act or the Stabilization Act of 1942, as amended,*
12 *shall be applicable with respect to cottonseed, soy beans, or*
13 *products processed or manufactured in whole or substantial*
14 *part from cottonseed or soy beans.*

15 “(9) *No maximum price and no regulation or order*
16 *under this Act or the Stabilization Act of 1942, as amended,*
17 *shall be applicable with respect to milk, or food or feed*
18 *products processed or manufactured in whole or substantial*
19 *part from milk.*

20 “(10) *No maximum price and no regulation or order*
21 *under this Act or the Stabilization Act of 1942, as amended,*
22 *shall be applicable with respect to grains for which standards*
23 *have been established under the United States Grain Stand-*
24 *ards Act, as amended, and any livestock or poultry feed*

1 processed or manufactured in whole or substantial part
2 therefrom.

3 “(11) No maximum price and no regulation or order
4 under this Act or the Stabilization Act of 1942, as amended,
5 shall be applicable with respect to leaf tobacco and tobacco
6 products processed or manufactured in whole or a substantial
7 part therefrom.

8 “(12) In establishing maximum prices for sales of
9 finished woven fabrics made primarily of cotton fiber or for
10 the sales of apparel made therefrom it shall be unlawful for
11 the Administrator to establish or maintain differentials in the
12 method of determining the basic grey-goods cost or the finished-
13 woven-fabrics cost to which a mark-up is to be applied based
14 on the degree of integration of the seller.

15 “(f) *SAVING PROVISION.*—Nothing in this section shall
16 limit the Administrator’s authority to remove maximum prices
17 for any nonagricultural commodity, or any agricultural com-
18 modity with the approval of the Secretary of Agriculture, at
19 an earlier time than would be required by this section, if in
20 his judgment or in the judgment of the Secretary of Agricul-
21 ture, as the case may be, such action would be consistent with
22 the purposes of this section.

23 “(g) *PETITIONS FOR DECONTROL.*—(1) If in the judg-
24 ment of the industry advisory committee appointed by the

1 Administrator in accordance with section 2 (a) of this Act
2 to advise and consult with respect to a commodity, the stand-
3 ards set forth in this section require the removal of maximum
4 prices for such commodity, it may file a petition for the re-
5 moval of such maximum prices. In the case of any nonagri-
6 cultural commodity, such petition shall be filed with the Ad-
7 ministrator in accordance with regulations prescribed by
8 him. In the case of agricultural commodities, such petition
9 shall be filed with the Secretary of Agriculture in accordance
10 with regulations prescribed by him and shall request that he
11 make an appropriate certification or recommendation to the
12 Price Administrator. The petition shall specifically state the
13 grounds upon which the committee believes such action to be
14 required and shall be accompanied by affidavits or other
15 written evidence in support thereof.

16 “(2) Within fifteen days after receiving a petition filed in
17 accordance with the provisions of this subsection, the Adminis-
18 trator or the Secretary of Agriculture, as the case may be,
19 shall either grant the petition or inform the committee in writ-
20 ing why in his judgment the standards for decontrol stated
21 in subsections (d) and (e) have not been satisfied with respect
22 to the commodity involved. If the petition is not granted in
23 full, the Administrator or the Secretary, as the case may be,
24 shall, within ten days after the receipt of a request by the com-
25 mittee for further consideration of its petition, hold a hearing

1 before himself or before a deputy administrator (or, in the
2 case of the Secretary, before such officer as he may designate)
3 at which the committee may present its argument in support
4 of the petition. The Consumers Advisory Committee and the
5 Labor Advisory Committee appointed by the Administrator
6 shall be given notice of any such hearing and an opportunity
7 to present their views with respect to the petition and may, not
8 later than five days prior to such hearing, present in writing
9 evidence relating thereto. Within fifteen days after such hear-
10 ing, the Administrator or the Secretary, as the case may be,
11 shall either grant the petition in full or furnish the industry
12 advisory committee with a statement in writing of his reasons
13 for denying it in whole or in part together with a statement
14 of any economic data or other facts of which he has taken
15 official notice in connection with such denial.

16 “(3) At any time within thirty days after the denial in
17 whole or in part, following a hearing, of a petition filed under
18 this subsection, the petitioning industry advisory committee
19 may petition the Price Decontrol Board established under sub-
20 section (h) for a review of the action of the Administrator or
21 the Secretary of Agriculture. If the Administrator or the
22 Secretary, as the case may be, fails to act upon a petition
23 within the time prescribed by paragraph (2), the industry
24 advisory committee may, at any time within thirty days after
25 the expiration of the time so prescribed, petition the Price

1 *Decontrol Board for the removal of maximum prices on the*
2 *commodity involved.*

3 “(4) *Nothing in this section shall be construed to take*
4 *away or impair any right of any person to protest, in accord-*
5 *ance with the provisions of sections 203 and 204 of this Act,*
6 *the further maintenance of maximum prices for a commodity*
7 *under the standards of subsection (d) or (e): Provided, That*
8 *the filing of such a protest or of a petition under paragraph*
9 *3 of this subsection shall not be grounds for staying any pro-*
10 *ceeding brought pursuant to section 205 of this Act or section*
11 *37 of the Criminal Code, and no retroactive effect shall be*
12 *given to any judgment setting aside a provision of a regula-*
13 *tion, order, or price schedule under the standards set forth*
14 *in this section.*

15 “(h) *PRICE DECONTROL BOARD.—(1) There is hereby*
16 *established as an independent agency in the executive branch*
17 *of the Government a Price Decontrol Board, to be composed*
18 *of three members appointed by the President by and with the*
19 *advice and consent of the Senate. Not more than two mem-*
20 *bers of the Board shall be members of the same political party.*
21 *Two members of the Board shall constitute a quorum, and*
22 *a vacancy in the membership of the Board shall not impair*
23 *the power of the remaining members to exercise its functions.*
24 *Members of the Board shall receive compensation at the rate*
25 *of \$12,000 a year.*

1 (2) The Board shall appoint and fix the compensation
2 of a secretary for the Board and such other officers and em-
3 ployees as may be necessary to enable it to perform its func-
4 tions. The Board may make such expenditures as may be
5 necessary for performing its functions. The Board may,
6 with the consent of the head of the department or agency con-
7 cerned, utilize the facilities, services, and personnel of other
8 agencies or departments of the Government. The Board
9 shall maintain an office in charge of its secretary in the Dis-
10 trict of Columbia, which shall be open on all business days
11 for the receipt of petitions for review and the transaction of
12 other business of the Board. The Board shall prescribe regu-
13 lations and procedures for the conduct of its business which
14 will provide for summary disposition, with the utmost expedi-
15 tion consistent with sound decision, of petitions filed with
16 the Board.

17 “(3) A petition made under subsection (g) (3) shall
18 specifically state the grounds upon which the petitioning indus-
19 try advisory committee believes that maximum prices on the
20 commodity involved should be removed. A copy of such peti-
21 tion shall forthwith be served on the Administrator or the Sec-
22 retary, as the case may be, who shall within such time as may
23 be fixed by the Board certify and file with the Board a tran-
24 script of such portions of the proceedings in connection with
25 the petition under subsection (g) as are material. Such

1 transcript shall include a statement in writing of the Admin-
2 istrator's or Secretary's reasons for believing that maximum
3 prices on the commodity involved should not be removed, to-
4 gether with a statement of any economic data or other facts
5 of which he has taken official notice. At the earliest prac-
6 ticable time the Board shall conduct a hearing upon the peti-
7 tion, at which the Administrator or the Secretary, as the case
8 may be, and the committee shall be given an opportunity to
9 present their views and argument orally or in writing. If
10 application is made to the Board by either party for leave to
11 introduce additional evidence, the Board may permit such
12 evidence to be introduced or filed with it if it deems it material
13 and determines that such evidence could not reasonably have
14 been offered or included in the proceedings under subsection
15 (g). At the earliest practicable time after the hearing on any
16 petition, the Board shall make and issue an order specifying
17 the extent, if any, to which maximum prices on the commodity
18 involved shall be removed. The Board shall order the re-
19 moval of such maximum prices if and to the extent that in its
20 judgment the standards of decontrol stated in subsection (d)
21 or (e) have been satisfied with respect to the commodity
22 involved. The Administrator shall remove maximum prices
23 with respect to the commodity in question within such time and
24 to such extent as shall be specified in the order of the Board.

1 *Orders of the Board shall not be subject to modification or re-*
2 *view by any other department or agency or by any court.*

3 “(4) *No petition may be filed with the Board with respect*
4 *to any commodity within a period of three months after the*
5 *issuance of an order of the Board with respect to the same*
6 *commodity.*

7 “(5) *The members of the Board may serve as such with-*
8 *out regard to the provisions of sections 109 and 113 of the*
9 *Criminal Code (18 U. S. C., secs. 198 and 203) or section*
10 *19 (e) of the Contract Settlement Act of 1944, except insofar*
11 *as such sections may prohibit any such member from receiving*
12 *compensation in respect of any particular matter which is*
13 *within the jurisdiction of the Board.*

14 “(6) *If the number of petitions filed with the Board*
15 *should at any time become so great as to prevent the Board*
16 *from promptly conducting hearings upon such petitions, the*
17 *Board shall appoint such hearing commissioners as it deems*
18 *necessary in order to expedite the transaction of its business.*
19 *The Board may authorize one or more of the hearing com-*
20 *missioners so appointed to conduct the hearing upon any peti-*
21 *tion under this subsection and to exercise the authority of the*
22 *Board with respect to such hearing. After a hearing con-*
23 *ducted before a hearing commissioner, the commissioner shall*
24 *make recommendations consistent with this subsection to the*

1 Board concerning its action with respect to the petition. If
2 the Board approves such recommendations, it shall issue an
3 order in conformity therewith. If the Board does not approve
4 such recommendations, the Board may issue such order as it
5 deems proper upon the record or may conduct a new hearing
6 upon the petition before the Board.”

7 SEC. 4. Section 2 (a) of the Emergency Price Control
8 Act of 1942, as amended, is amended by adding at the end
9 thereof the following new sentence: “In administering the
10 provisions of this subsection relating to the establishment of
11 industry advisory committees, the Administrator, upon the
12 request of a substantial portion of the industry in any region,
13 shall promptly appoint a regional industry advisory com-
14 mittee for such region.”

15 SEC. 5. Section 2 (b) of the Emergency Price Control
16 Act of 1942, as amended, is amended by adding at the end
17 thereof a new paragraph as follows:

18 “After the date upon which this paragraph takes effect,
19 the Administrator, when establishing rent ceilings on hotels
20 or when passing upon applications for adjustments of rent
21 ceilings on hotels, is authorized to take into consideration the
22 distinction between transient hotels and residential or apart-
23 ment hotels, including the difference in the investment, oper-
24 ation, expenses, and mechanical details of operation between
25 the transient hotels and the residential and apartment hotels,

1 and is directed to classify separately by regulation (1) tran-
2 sient hotels, (2) residential and apartment hotels, and (3)
3 tourists courts, rooming houses, and boarding houses.”

4 SEC. 6. (a) The last paragraph of section 2 (e) of the
5 Emergency Price Control Act of 1942, as amended by the
6 Stabilization Extension Act of 1944, shall not apply with re-
7 spect to operations for the fiscal year ending June 30, 1947,
8 of the Commodity Credit Corporation and the Reconstruction
9 Finance Corporation: Provided, That with respect to such
10 corporations and such operations, the making of subsidy pay-
11 ments and buying for resale at a loss shall be limited as
12 follows:

13 Payments and purchases may be made with respect to
14 operations for the fiscal year ending June 30, 1947, which
15 involve subsidies and anticipated losses as follows:

16 (1) With respect to rubber produced in Latin
17 America and Africa for which commitments were made
18 before January 1, 1946, \$31,000,000.

19 (2) With respect to copper, lead, and zinc, in the
20 form of premium price payments, \$100,000,000: Pro-
21 vided, That (A) premiums shall be paid on ores mined
22 or removed from mine dumps or tailing piles before
23 July 1, 1947, though shipped and/or processed and mar-
24 keted subsequently thereto; and that (B) the premium
25 price plan for copper, lead, and zinc shall be extended

1 until June 30, 1947, on terms not less favorable to the
2 producer than heretofore and (i) adjustments shall be
3 made to encourage exploration and development work,
4 (ii) adequate allowances shall be made for deprecia-
5 tion and depletion, and (iii) all classes of premiums shall
6 be noncancelable unless necessary in order to make in-
7 dividual adjustments of income to specific mines.

8 (3) With respect to purchases by the Reconstruction
9 Finance Corporation, of such tin ores and concentrates
10 as it deems necessary to insure continued operation of the
11 Texas City tin smelter.

12 (4) With respect to noncrop programs, 1946 crop
13 program operations and the 1947 crop program opera-
14 tions relating to sugar, flour, petroleum, petroleum prod-
15 ucts, and other domestic and imported materials and com-
16 modities, \$869,000,000: Provided, That the operations
17 authorized under this subparagraph (4) shall be pro-
18 gressively reduced, shall be terminated not later than
19 April 1, 1947, and shall not cost more than \$629,000,-
20 000 during the last six months of the calendar year 1946.
21 Operations shall not be carried out under authority of
22 this subparagraph (4) with respect to any commodity
23 for any period during which maximum prices on such
24 commodity are not in effect under the Emergency Price
25 Control Act of 1942, as amended or the Stabilization

1 *Act of 1942, as amended: Provided, That subsidies with*
2 *respect to petroleum produced from stripper wells shall*
3 *be continued at not to exceed the existing rates. No new*
4 *subsidy or purchase and sale operations shall be under-*
5 *taken under the authority of this subparagraph (4), and*
6 *no change shall be made in the basis of any existing oper-*
7 *ations for which funds are made available under this*
8 *subparagraph which will increase the rate of any subsidy*
9 *or the rate of loss incurred with respect to any commodity.*

10 *(b) When any direct or indirect subsidy to an industry*
11 *is reduced or terminated, any maximum price applicable to*
12 *the product affected shall be correspondingly increased, except*
13 *in the case of transportation subsidies and differential sub-*
14 *sidies to high-cost producers.*

15 *(c) Where roll-back subsidies have previously been or*
16 *presently are in effect, and have been discontinued, or shall*
17 *hereafter be discontinued, the industries which have received*
18 *such subsidies shall be permitted to increase their ceiling*
19 *prices at least an amount equivalent to the amount of the*
20 *discontinued roll-back subsidy. Such price increase shall*
21 *become effective either upon discontinuance of the roll-back*
22 *subsidy or upon passage of this Act, whichever date is the*
23 *later. For the purposes of this paragraph, the term "roll-*
24 *back subsidies" means subsidy payments, or purchases and*
25 *sales of a commodity at a loss by the Government of the United*

1 States (including any Government-owned or controlled cor-
2 poration), or contracts therefor, which resulted directly or
3 indirectly in the lowering of ceiling prices below the maximum
4 price levels established by the Office of Price Administration
5 prior to the institution of the subsidy payments or purchases
6 and sales at a loss, or the execution of the contracts therefor,
7 whichever date is the earlier.

8 (d) Nothing in this section shall be construed to affect the
9 provisions of Public Laws 30, 88, 164, and 328 of the
10 Seventy-ninth Congress, or to prevent the use of the sums
11 authorized in such laws to fulfill obligations incurred prior
12 to July 1, 1946, with respect to operations prior to such date.

13 (e) Notwithstanding any of the foregoing provisions of
14 this section 6, 1946 and 1947 crop program operations with
15 respect to sugar, may, while maximum prices are in effect
16 with respect to sugar, be continued until such crops are
17 processed and distributed, and the cost of 1946 crop program
18 operations with respect to sugar may be charged to the funds
19 authorized by Public Law 30, Seventy-ninth Congress, as
20 amended by Public Law 328, Seventy-ninth Congress. For
21 the purpose of this section 6, no subsidy program operation on
22 sugar shall be considered to be a new subsidy: Provided,
23 That Commodity Credit Corporation or any other Govern-
24 ment agency shall not absorb any increase in the price paid
25 for Cuban sugar over 3.675 cents per pound, raw basis,

1 *f. o. b. Cuba, as being paid for such sugar, in Cuba, on June*
2 *30, 1946.*

3 *(f) Nothing in this section shall be construed as a*
4 *limitation upon operations authorized by the Veterans' Emer-*
5 *gency Housing Act of 1946 (Public Law 388, Seventy-ninth*
6 *Congress).*

7 *SEC. 7. Section 2 (i) of the Emergency Price Control*
8 *Act of 1942, as amended, is amended to read as follows:*

9 *"(i) For the purposes of this Act and the Stabilization*
10 *Act of 1942, as amended, fish and other sea food shall be*
11 *deemed to be agricultural commodities, and commodities*
12 *processed or manufactured in whole or substantial part from*
13 *fish or other sea foods shall be deemed to be manufactured*
14 *in whole or substantial part from agricultural commodities:*
15 *Provided, That the provisions of section 3 of the Stabili-*
16 *zation Act of 1942, as amended, shall not be applicable*
17 *with respect to fish and other sea foods and commodities pro-*
18 *cessed or manufactured in whole or substantial part there-*
19 *from, but the maximum price established for any fish or*
20 *sea food commodity or for any commodity processed or*
21 *manufactured in whole or substantial part therefrom shall*
22 *not be below the average price therefor in the year 1942."*

23 *SEC. 8. Section 2 (j) of the Emergency Price Control*
24 *Act of 1942, as amended, is amended by inserting before*
25 *the period at the end thereof a semicolon and the following:*

1 *“or (5) as authorizing any regulation or order of the Ad-*
2 *ministrators to fix a quantity or percentage of any product*
3 *which any seller may sell to any buyer”.*

4 *SEC. 9. Section 2 (k) of the Emergency Price Control*
5 *Act of 1942, as amended, is amended by inserting the*
6 *words “or any operator of any service establishment” after*
7 *the words “seller of goods at retail”.*

8 *SEC. 10. Section 2 of the Emergency Price Control Act*
9 *of 1942, as amended, is amended by adding at the end*
10 *thereof the following new subsections:*

11 *“(o) No maximum price shall be applicable to any item*
12 *served in any restaurant or other eating establishment if such*
13 *item consists in whole or major part of a commodity to which*
14 *no maximum price is applicable with respect to sales to restau-*
15 *rants and other eating establishments, unless the maximum*
16 *price of such item, when sold by such restaurant or other*
17 *eating establishment, is determined, under the applicable maxi-*
18 *imum price regulation or order, by the addition of a customary*
19 *margin to the acquisition cost of such item.*

20 *“(p) After July 1, 1946, no maximum price regulation*
21 *or order shall be issued or continued in effect requiring any*
22 *seller to limit his sales by any weighted average price limita-*
23 *tion based on his previous sales.*

24 *“(q) In the case of any retail industry, the principal*
25 *sales of which consisted during the calendar years 1939 to*

1 1941, inclusive, of sales of a commodity or commodities the
2 production or retail distribution of which has been reduced,
3 for a period of three years beginning on or after March 2,
4 1942, by 75 per centum or more below such production or
5 retail distribution for the calendar years 1939 to 1941, in-
6 clusive, as a result of the operation of any governmental regu-
7 lation or restriction, the Administrator shall not, in estab-
8 lishing maximum prices under this section, reduce established
9 peacetime retail trade discounts or mark-ups or dealer han-
10 dling charges for any such commodity before the retail unit
11 sales of such commodity for a period of six months shall have
12 reached the average annual retail unit sales thereof for the
13 calendar years 1939 to 1941, inclusive.

14 “(r) In the case of any wholesale industry, the principal
15 sales of which consisted during the calendar years 1939 to
16 1941, inclusive, of sales of a commodity or commodities, the
17 production or wholesale distribution of which has been reduced
18 for a period of three years beginning on or after March 2,
19 1942, by 75 per centum or more below such production or
20 wholesale distribution for the calendar years 1939 to 1941,
21 inclusive, as the result of the operation of any governmental
22 regulation or restriction, the Administrator shall not in estab-
23 lishing maximum prices under this section reduce established
24 wholesale trade discounts or normal wholesale mark-ups for
25 any such commodity prevailing on March 2, 1942, before

1 the wholesale unit sales of such commodity for a period of six
2 months shall have reached the average annual wholesale unit
3 sales thereof for the calendar years 1939 to 1941, inclusive.

4 “(s) No maximum price regulation or order shall re-
5 quire the reduction of the established peacetime discounts or
6 mark-ups for the sale of any manufactured or processed
7 commodity (treating as a single commodity for the purposes
8 of this paragraph all commodities in a line of related com-
9 modities which, for the purpose of establishing manufacturers’
10 and processors’ maximum prices, have been placed by the
11 Office of Price Administration under a single regulation)
12 if the retail, wholesale, or other distributive trade selling such
13 commodity shows that the commodity constituted approxi-
14 mately one-half or more of the gross sales income of a majority
15 of the persons engaged in such trade in 1945 and that, in the
16 first quarter of 1946, the deliveries of such commodity to such
17 distributive trade were less than 100 per centum of the de-
18 liveries thereof in the corresponding quarter of 1945.

19 “(t) In establishing maximum prices applicable to whole-
20 sale or retail distributors, the Administrator shall allow for the
21 current cost of acquisition of any commodity, plus such per-
22 centage discount or mark-up as was in effect on June 29,
23 1946.

24 “(u) After the date upon which this subsection takes
25 effect, no maximum price shall be established or maintained,

1 under this Act or under any other provision of law, with
2 respect to any new commodity when the Administrator upon
3 application finds that its use, in the production, manufactur-
4 ing, or processing of any commodity or commodities, without
5 increasing the cost to the ultimate user, either increases the
6 life or reduces the cost of production, manufacture, or proc-
7 essing of the commodity or commodities produced, manufac-
8 tured or processed. As used in this subsection the term 'new
9 commodity' means a commodity which was not commercially
10 or industrially available prior to January 30, 1942."

11 SEC. 11. The Emergency Price Control Act of 1942, as
12 amended, is amended by inserting after section 5 thereof the
13 following new section:

14 "SEC. 6 (a) For the purposes of this section the base
15 period shall be the calendar year 1940, or in the case of an
16 industry customarily keeping its accounts on a fiscal year
17 basis, the industry's fiscal year 1940.

18 "(b) In order that adequate general price levels shall be
19 established for all commodities to bring about maximum pro-
20 duction and employment, no maximum prices shall be estab-
21 lished or maintained for any product of a producing, manu-
22 facturing, or processing industry (including any industry
23 furnishing service or transportation the charges for which
24 are now subject to the Administrator's control) which do not
25 return on the average to the industry not less than the average

1 dollar price of such product during the base period, plus the
2 average increase in cost of producing, manufacturing, or
3 processing the same accruing since the base period, but the
4 maximum prices for a product shall be deemed in compliance
5 with this standard if such prices on the average are equal to
6 the average current total cost of the product plus the in-
7 dustry's average over-all profit margin on sales in the base
8 period: Provided, however, That in the case of logs, lumber,
9 and lumber products, the maximum prices shall be established
10 at a level which will permit producers of at least 90 per
11 centum of the production of such logs, lumber, or lumber
12 products to recover their current costs of production. The
13 ceiling price of timber used or the current market price shall
14 be considered the cost of such timber.

15 “(c) For the purpose of determining costs under this
16 section, currently or for the base period, the Administrator
17 shall ascertain the costs of a reasonable number of typical
18 producers, manufacturers, or processors and shall follow
19 accepted methods of accounting and such fair and reasonable
20 methods of calculation as he shall establish by regulation,
21 including reasonable adjustments for conditions resulting
22 from abnormal volume of production.

23 “(d) Maximum prices established hereunder shall not
24 be held invalid on account of their failure to return his costs
25 to any particular member of any group involved.

1 “(e) Nothing herein shall nullify the power of the
2 Administrator to make reasonable adjustments and exceptions
3 in individual cases under the provisions of section 2 (c) of
4 this Act.

5 “(f) If the maximum prices of a product on the average
6 equal its average current total costs, nothing herein shall re-
7 quire the adjustment of such maximum prices for such period,
8 if any, as it appears that a substantial expansion in the pro-
9 duction or use of the product would not be practicable or would
10 be practicable only by reducing the production of at least
11 equally needed products.

12 “(g) As used in this section, ‘product’ shall mean any
13 major item, or any article different in character from other
14 products of the industry; but all the styles, models, or other
15 varieties of any such item or article shall be considered as one
16 product.

17 “(h) The provisions of this section shall not apply with
18 respect to any maximum price applicable to manufacturers
19 or processors in the case of products made in whole or major
20 part from cotton or cotton yarn or wool or wool yarn.

21 “(i) Nothing in this section shall be construed to require
22 any adjustment in maximum prices except pursuant to an
23 application filed under this paragraph, or be construed to
24 invalidate any maximum price unless there is a failure to
25 make adjustments, in accordance with the procedure pre-

1 scribed in this paragraph, to such extent as may be required
2 to comply with the standards set forth in this section. Any
3 industry advisory committee may apply to the Administrator
4 for the adjustment of the maximum prices applicable to any
5 product in accordance with the standards set forth in this
6 section, and shall present with the application comprehensive
7 evidence with respect to costs and prices. The Administrator
8 shall consider the evidence so presented and all evidence other-
9 wise available to him and, within 60 days after the receipt of
10 such application, he shall make the adjustments in maximum
11 prices required by this section, or, if he finds that no such
12 adjustments are required, he shall deny the application. If
13 the Administrator fails to make the adjustments in the maxi-
14 mum prices for any product required by this section or to
15 deny the application within the 60-day period prescribed in
16 this paragraph, the industry advisory committee concerned
17 may petition the Emergency Court of Appeals, created pur-
18 suant to section 204, for relief; and such court shall have
19 jurisdiction by appropriate order to require the Administrator
20 to make such adjustments or deny such application within
21 such time, not to exceed 30 days, as may be fixed by the court.
22 If the Administrator fails to make such adjustments or deny
23 such application within the time so fixed, no maximum price
24 shall thereafter be applicable with respect to any sale of such
25 product by any seller."

1 *SEC. 12. (a) The second sentence of section 205 (e)*
2 *of the Emergency Price Control Act of 1942, as amended,*
3 *is amended to read as follows: "In any action under this*
4 *subsection, the seller shall be liable for reasonable attorney's*
5 *fees and costs as determined by the court, plus whichever of*
6 *the following sums is greater: (1) Such amount not more*
7 *than three times the amount of the overcharge, or the over-*
8 *charges, upon which the action is based as the court in its*
9 *discretion may determine, or (2) an amount not less than*
10 *\$25 nor more than \$50, as the court in its discretion may*
11 *determine: Provided, however, That such amount shall be the*
12 *amount of the overcharge or overcharges if the defendant*
13 *proves that the violation of the regulation, order, or price*
14 *schedule in question was neither willful nor the result of*
15 *failure to take practicable precautions against the occurrence*
16 *of the violation."*

17 *(b) Section 205 (e) of the Emergency Price Control*
18 *Act of 1942, as amended, is amended by adding at the end*
19 *thereof the following new paragraphs:*

20 *"The Administrator may not institute any action under*
21 *this subsection on behalf of the United States, or, if such*
22 *action has been instituted, the Administrator shall withdraw*
23 *the same—*

24 *"(1) if the violation arose because the person selling*
25 *the commodity acted upon and in accordance with the*

1 *written advice and instructions of the Administrator or*
2 *any regional administrator or district director of the*
3 *Office of Price Administration; or*

4 *“(2) if the violation arose out of the sale of a com-*
5 *modity to any agency of the Government, or to any public*
6 *housing authority whose operations are supervised or*
7 *financed in whole or in part by any agency of the Gov-*
8 *ernment, and such sale was made pursuant to the lowest*
9 *bid made in response to an invitation for competitive bids.*

10 *“The Administrator shall not institute or maintain any*
11 *enforcement action under this subsection against any manu-*
12 *facturer of apparel items where the Administrator shall*
13 *determine (1) that the transactions on which such proceeding*
14 *is based consisted of the manufacturer’s selling such an item*
15 *at his published March 1942 price list prices instead of his*
16 *March 1942 delivered prices, and (2) that the seller’s*
17 *customary pricing patterns for related apparel items would*
18 *be distorted by a requirement that his ceilings be the March*
19 *1942 delivered prices. The Administrator’s determinations*
20 *under this paragraph shall be subject to review by the Emer-*
21 *gency Court of Appeals in accordance with sections 203 and*
22 *204.”*

23 *SEC. 13. The third sentence of paragraph (2) of section*
24 *205 (f) of the Emergency Price Control Act of 1942, as*
25 *amended, is amended to read as follows: “If any such court*

1 finds that such person has violated any of the provisions of
2 such license, regulation, order, price schedule, or requirement
3 after the receipt of the warning notice, such court shall issue
4 an order suspending the license to the extent that it authorizes
5 such person to sell the commodity or commodities in connection
6 with which the violation has occurred, or to the extent that it
7 authorizes such person to sell any commodity or commodities
8 with respect to which a regulation or order issued under sec-
9 tion 2, or a price schedule effective in accordance with the
10 provisions of section 206, is applicable; but no suspension
11 shall be for a period of more than twelve months, and if the
12 defendant proves that the violation in question was neither
13 willful nor the result of failure to take practicable precautions
14 against the occurrence of the violation, then in that event no
15 suspension shall be ordered or directed.”

16 SEC. 14. Section 3 of the Stabilization Act of 1942, as
17 amended, is amended by adding at the end thereof the follow-
18 ing new paragraph:

19 “On and after the date of the enactment of this para-
20 graph, it shall be unlawful to establish, or maintain, any
21 maximum price applicable to manufacturers or processors,
22 for any major item in the case of products made in whole
23 or major part from cotton or cotton yarn or wool or wool
24 yarn, unless the maximum price for such major item is fixed
25 and maintained at not less than the sum of the following:

1 “(1) The cotton or wool cost (which must be com-
2 puted at not less than the parity price or the current cost,
3 whichever is greater, of the grade and staple of cotton
4 or wool used in such item, delivered at the mill);

5 “(2) A weighted average of mill conversion costs;
6 and

7 “(3) A reasonable profit (which shall not be less
8 than a weighted average profit for each unit of such item
9 equal to the weighted average of the profit earned on an
10 equivalent unit of such item during the period 1939 to
11 1941, both inclusive).”

12 SEC. 15. The Secretary of Agriculture, through the Com-
13 modity Credit Corporation or otherwise, is hereby authorized
14 to allocate feed which he controls to feeders of livestock and
15 poultry in domestic areas which he may determine to be in an
16 emergency shortage condition with respect to animal and
17 poultry feed.

18 SEC. 16. (a) In the event producers of wheat are
19 required by an order issued pursuant to the Second War
20 Powers Act, 1942, as amended, to sell all or any part of
21 wheat delivered to an elevator prior to April 1, 1947, the
22 Commodity Credit Corporation shall offer to purchase the
23 wheat so required to be sold at a price determined as follows:

1 *The purchase price paid for the wheat shall be the market*
2 *price at the point of delivery as of any date the producer may*
3 *elect between the date of delivery and March 31, 1947, inclu-*
4 *sive: Provided, however, That only one election may be*
5 *made for each lot of wheat: And provided further, That the*
6 *producer may not elect a date prior to the date on which he*
7 *mails a written notice to Commodity Credit Corporation of*
8 *his election. In the event the producer does not notify Com-*
9 *modity Credit Corporation in writing by March 31, 1947,*
10 *of his election of a date for determining the market price,*
11 *such date shall be deemed to be March 31, 1947.*

12 *(b) Any producer of wheat who, prior to the date of*
13 *enactment of this Act, has sold any wheat pursuant to the*
14 *requirements of paragraph (ee) (1) of War Food Order*
15 *Numbered 144, may, at any time within thirty days after*
16 *the date of enactment of this Act, pay to the Commodity*
17 *Credit Corporation a sum equal to the amount for which he*
18 *sold such wheat. Any producer paying any such sum to the*
19 *Commodity Credit Corporation shall be deemed to have sold*
20 *and delivered to the Commodity Credit Corporation as of the*
21 *date he pays such sum a quantity of wheat equal in grade*
22 *and quality to the quantity sold by him pursuant to such*
23 *requirements and the purchase price to be paid to him for*

1 such wheat shall be determined in the same manner as in the
2 case of a sale of wheat to the Commodity Credit Corporation
3 pursuant to the provisions of subsection (a) of this section.

4 SEC. 17. This Act may be cited as the "Price Control
5 Extension Act of 1946."

6 SEC. 18. (1) The provisions of this Act shall take effect
7 as of June 30, 1946, and (2) all regulations, orders, price
8 schedules, and requirements under the Emergency Price
9 Control Act of 1942, as amended, and the Stabilization Act
10 of 1942, as amended, which were in effect on June 30, 1946,
11 shall be in effect in the same manner and to the same extent as
12 if this Act had been enacted on June 30, 1946, and (3) any
13 proceeding, petition, application, or protest which was pending
14 under the Emergency Price Control Act of 1942, as amended,
15 or the Stabilization Act of 1942, as amended, on June 30,
16 1946, shall be proceeded with and shall be effective in the same
17 manner and to the same extent as if this Act had been enacted
18 on June 30, 1946: Provided, That in any case in which the
19 Emergency Price Control Act of 1942 (except sections 204
20 and 205), as amended, or the Stabilization Act of 1942
21 (except sections 8 and 9), as amended, or any regulation,
22 order, or requirement under either of such Acts, prescribes
23 any period of time within which any act is required or per-
24 mitted to be done, and such period had commenced but had
25 not expired on June 30, 1946, such period is hereby extended

1 for a number of days equal to the number of days from July
2 1, 1946 to the date of enactment of this Act, both inclusive:
3 Provided further, That no act or transaction occurring sub-
4 sequent to June 30, 1946, and prior to the date of enactment
5 of this Act shall be deemed to be a violation of the Emergency
6 Price Control Act of 1942, as amended, or the Stabilization
7 Act of 1942, as amended, or of any regulation, order, price
8 schedule, or requirement under either of such Acts: Provided
9 further, That insofar as the provisions of this Act require any
10 change in any maximum price, such provisions shall not be
11 deemed to require such change to be made before the thirtieth
12 day following the date of enactment of this Act.

13 SEC. 19. (a) Whenever any State has established or
14 may hereafter establish provisions for the control and regula-
15 tion of the rent of housing accommodations within its bound-
16 aries and the Governor of any State notifies the Administra-
17 tor that such regulation and control are in effect, no provision
18 of the Emergency Price Control Act of 1942, as amended,
19 and no regulations, orders, or requirements thereunder (except
20 as to offenses committed prior thereto), relating to the estab-
21 lishment and maintenance of maximum rents under such Act,
22 as amended, shall be applicable within such State.

23 (b) The Administrator is authorized and directed to
24 cooperate with any such State to the fullest extent; and, to
25 that end, he shall make available to the proper officials of

1 *such State such records and other information in his posses-*
 2 *sion which may be requested by such State to enable it to*
 3 *effectively control and regulate such rents.*

4 *SEC. 20. Subsection (a) of section 3 of the Emergency*
 5 *Price Control Act of 1942, as amended, is amended by*
 6 *striking out the period at the end of the subsection and*
 7 *inserting in lieu thereof the following:*

8 *: Provided, That no maximum price shall be imposed*
 9 *on pulpwood in any State at a price less than 100 per*
 10 *centum of the highest maximum price established for pulp-*
 11 *wood derived from trees of the same genus in any other*
 12 *State, zone, or region, except that fair and equitable differen-*
 13 *tials may be established between peeled and rough pulp-*
 14 *wood.*

Passed the House of Representatives July 1, 1946.

Attest: SOUTH TRIMBLE,
 Clerk.

Passed the Senate with an amendment July 12 (legis-
 lative day, July 5), 1946.

Attest: LESLIE L. BIFFLE,
 Secretary.

79TH CONGRESS
2^D Session

H. J. RES. 371

JOINT RESOLUTION

Extending the effective period of the Emergency
Price Control Act of 1942, as amended, and
the Stabilization Act of 1942, as amended.

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JULY 5), 1946

Ordered to be printed with the amendment of the
Senate

CONSIDERATION OF HOUSE JOINT RESOLUTION 371

JULY 13, 1946.—Referred to the House Calendar and ordered to be printed.

Mr. SABATH, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 707]

The Committee on Rules, having had under consideration House Resolution 707, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 452

79TH CONGRESS
2^D SESSION

H. RES. 707

[Report No. 2517]

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1946

Mr. SABATH, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this
2 resolution the joint resolution (H. J. Res. 371), extending
3 the effective period of the Emergency Price Control Act
4 of 1942, as amended, and the Stabilization Act of 1942,
5 as amended, with the Senate amendment thereto, be, and
6 the same is hereby, taken from the Speaker's table; that
7 the Senate amendment be, and it is hereby, disagreed to
8 by the House; that the conference requested by the Senate
9 on the disagreeing votes of the two Houses on the said bill
10 be, and hereby is, agreed to by the House; and that the
11 Speaker shall immediately appoint conferees without inter-
12 vening motion.

79TH CONGRESS
2^D Session

H. RES. 707

[Report No. 2517]

RESOLUTION

Providing for the consideration of
H. J. Res. 371.

By Mr. SAVATH

JULY 13, 1946

Referred to the House Calendar and ordered to be
printed

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 17, 1946
For actions of July 16, 1946
79th-2nd, No. 139

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HIGHLIGHTS: House sent price-control measure to conference. House further insisted on provision in Labor-Federal Security appropriation bill prohibiting NLRB actions regarding packing-canning employees. House completed action on Government corporations appropriation bill. House passed S. 1236, to amend Mineral Leasing Act. Senate passed bill to continue Sugar Act; agreed to Sen. George's request that continuation be for one year instead of 3. Senate passed 3rd deficiency appropriation bill; agreed to committee amendments regarding USDA; agreed to Cordon amendment to authorize CCC to buy and process surplus potatoes for foreign relief. Senate committee reported O'Mahoney wool bill.

HOUSE

- 1. PRICE CONTROL.** Reps. Spence, Brown of Ga., Patman, Barry, Wolcott, Crawford, and Gamble were appointed conferees on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts (p. 9260). The vote on ordering the previous question on a resolution to send the measure to conference was 211-64 (pp. 9250-60, 9266-91). House conferees appointed ~~Manasco~~.
- 2. LABOR-FEDERAL SECURITY APPROPRIATION BILL.** Received a further conference report on this bill, H. R. 6739, stating that the conferees failed to agree regarding the Elliott amendment to prohibit NLRB action regarding packing and canning employees. Insisted on the amendment after rejecting, 136-213, a motion by Rep. Keefe, Wis., to concur in the Senate amendment to strike out the Elliott amendment. (pp. 9249-50, 9270-6.)
- 3. GOVERNMENT CORPORATIONS APPROPRIATION BILL.** Agreed to a motion by Rep. Whitten, Miss., to concur in a Senate amendment, as amended, which does not affect this Department (pp. 9248-9). This bill will now be sent to the President.
- 4. MINERALS.** Passed as reported S. 1236, to amend the Mineral Leasing Act so as to promote development of oil and gas on the public domain (pp. 9224-8).
- 5. FORESTRY.** Passed with amendments H. R. 7004, to revise the boundaries of Wind Cave National Park, S. Dak., which involves exchange of land in the Harney National Forest (pp. 9294-5).
- 6. SYNTHETIC-RUBBER PLANTS.** Rep. Manasco, Ala., asked for consideration of S. J. Res. 174, prohibiting War Assets Administration from disposing of certain synthetic-rubber plants and facilities until 6 months after a national rubber program is submitted to Congress, but withdrew his request after discussion

7. ATOMIC ENERGY. Agreed, 162-35, to a resolution providing for consideration of S. 1717, the atomic-energy bill (pp. 9260-9).
8. FISHERIES. Passed as reported H. R. 3230, to provide for investigation and conservation of the fishery resources and development of the fishing industry in and near Hawaii (pp. 9221-2).
9. VETERANS. Rep. Kearney, N. Y.; spoke in favor of H. R. 6746, "the Veterans Employment and National Economic Development Corporation Act of 1946" (pp. 9291-4).
10. SOCIAL SECURITY. As reported July 15, H. R. 7037 extends the present rates for the Federal Insurance Contributions Act until Dec. 31, 1947. Otherwise it is the same as H. R. 6911 (see Digest 130).

SENATE

11. THIRD DEFICIENCY APPROPRIATION BILL. Passed with amendments this bill, H.R. 6885 (pp. 9193-214). Agreed to committee amendments to items for this Department. Rejected Sen. Barkley's (K.) amendment to restrict lend-lease shipments after Dec. 31, 1946, to those other than agricultural commodities (pp. 9205-7). Agreed to Sen. Cordon's (Oreg.) amendment to authorize CCC to purchase, process, etc., surplus potatoes of the 1946 crop for foreign relief purposes (pp. 9208-14).
Sen. Ball (Minn.) discussed with other members the nutritional value of potatoes as compared to grains and the feasibility of shipment of raw potatoes abroad (pp. 9208-14).
Sens. McKellar, Hayden, Russell, Overton, Thomas (Ola.), Brooks, Bridges, and Gurney were appointed conferees (p. 9214). House conferees not yet appointed.
12. SUGAR-ACT CONTINUATION. Passed with amendments H.R. 6689, to continue the act for one year (pp. 9215-6). Rejected committee amendments to continue the act for three years.
13. WOOL MARKETING. Reported with amendments S. 2033, to provide for support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such act are applicable, and to authorize the Secretary to fix wool standards (S. Rept. 1716) (p. 9184).
14. SURPLUS PROPERTY. Received from REC a certificate of dissolution of the War Assets Corporation (p. 9183).
15. RENT CONTROL. Sen. White, Maine, inserted a Lewiston (Maine) resolution favoring rent-control legislation (p. 9184).
16. REGIONAL AUTHORITIES. Sen. McKellar, Tenn., inserted and discussed with other members Drew Pearson's Washington Post article, "McKellar Turns TVA Sugar-Dad" (pp. 9215-6).

BILLS INTRODUCED

17. SUBSIDIES. S. 2445, by Sen. Downey, Calif., "to amend Public Law 56, Seventy-ninth Congress." To Banking and Currency Committee. (p. 9184.)
18. PUBLIC LANDS; VETERANS. H.R. 7054, by Rep. Jackson, Wash., to extend to veterans of World War II preference with respect to the sale of lands disposed of

their rents on wages that are now being paid I wonder when we can ever expect them to.

Mr. WHITTEN. I might say to the gentleman that that problem did not fall within the jurisdiction of the conference committee on this amendment. We must provide for the carrying out of those contracts that have been entered into. That has to do with the basic law and not with the action of the committee.

Mr. BARDEN. The wrong should be remedied by those charged with the responsibility of fixing the rents by fixing them at such point that they would carry themselves without expense to the Government. And without expense to others, who in many cases live in much less expensive, convenient, and comfortable homes and apartments.

Mr. WHITTEN. I am in thorough agreement with the gentlemen. Our committee tried to make such provision for the 641 projects, only to find that the Government was liable for such funds and that suit could be sustained for such funds, or so the Solicitor General's office held. The basic law, of course, could be changed to take care of that proposition and in my judgment should be so changed.

Mr. BARDEN. I understood that the subsidy was only to be used when the income from the project was insufficient to provide the carrying charges.

Mr. WHITTEN. Under the basic law, as I understand it, they must take these lower income folks into such projects. This they haven't done. If they take or keep people in such projects whose income is sufficient to pay higher rent, they are supposed to let them out and take in others. If persons not within the lower income group are retained within such projects, no subsidy is to be paid for such family.

Mr. BARDEN. I want to say to the gentleman they have done everything except that, in many instances.

Mr. WHITTEN. But they are not paying any subsidies for those who are in the income classification who are able to pay their rent.

Mr. PLOESER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. PLOESER. I think either the gentleman from Mississippi or the committee should make it clear that an agreement to this amendment does not mean that the committee is satisfied with the method by which these subsidies have been handled or are we satisfied with the method in which these housing projects have been rented, but we are not in position to add a specific criticism at this time. The committee does plan a thorough investigation and when it comes back again next year we will be able to give you a detailed report and make specific recommendations.

Mr. BARDEN. The reason this is so fresh in my mind is because I had a report from one of the housing projects in my district in which there are now some 300 vacant living quarters. They are restricted to the use of veterans, first, and civilians who work on a certain project. I have a report from the manager of that project that there are not

enough veterans and will not be to use 300 vacant living quarters and there are not enough and will not be enough civilian employees to use them, yet the Housing Administration says those 300 living quarters must remain idle. There is a loose wheel somewhere. And this foolish situation should be corrected at once.

Mr. WHITTEN. I may say to the gentleman, if I might add to what the gentleman from Missouri has stated, the committee has directed a special investigator to investigate this entire set-up during the coming summer and we hope to have available for the House in further consideration of this matter next year detailed information on how these projects are being operated. So far as the matter that is now pending before the House is concerned, it does not reach what the gentleman has in mind. I will cooperate with him in reaching it in every way that it is possible to do so.

Mr. PLOESER. I think it should be explained to the House that the committee, being a new Committee on Appropriations and having considerable difficulty even getting a budget program until late in the season, was not able to apprehend the urgent need for this investigation, or we might have had it done this year. We have worked as rapidly as possible. We do not condone these practices and we promise you if there is anything that the committee can do to correct them we will take every step to do it.

Mr. BARDEN. I am not criticizing the committee and have no intention of doing so or the work it has done.

Mr. PLOESER. I know that.

Mr. BARDEN. I knew there was something lurking in this particular item that would be of considerable interest to the House. I hope we will take it upon ourselves to attempt to remedy it in the early future.

Mr. PLOESER. I am most grateful for the gentleman's contribution because it has given us an opportunity to somewhat clear up the committee's intention so that there will be no misunderstanding when we agree to this Senate amendment.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. The figure of \$14,000,000 was mentioned. That represents what the total amount of annual contributions is to be in 1947 for all low-rent housing?

Mr. WHITTEN. That is my understanding.

Mr. SMITH of Ohio. I thank the gentleman.

Mr. WHITTEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to, and a motion to reconsider was laid on the table.

EMERGENCY PRICE CONTROL ACT OF 1942, AS AMENDED

Mr. SABATH. Mr. Speaker, I call up House Resolution 707.

CALL OF THE HOUSE

Mr. THOMAS of New Jersey. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 222]

Allen, La.	Gallagher	Mason
Anderson, Calif.	Gibson	Miller, Calif.
Andrews, N. Y.	Gillespie	Norrell
Baldwin, Md.	Gossett	Norton
Beckworth	Gwinn, N. Y.	O'Toole
Bell	Hall	Peterson, Ga.
Bennet, N. Y.	Edwin Arthur	Powell
Boren	Harless, Ariz.	Priest
Boykin	Harris	Randolph
Bradley, Pa.	Hébert	Reece, Tenn.
Brumbaugh	Hendricks	Rizley
Bunker	Hollifield	Robinson, Utah
Clippinger	Holmes, Wash.	Roe, N. Y.
Cochran	Hook	Sasscer
Coffee	Johnson	Sheridan
Colmer	Lyndon B.	Slaughter
Cooper	Johnson, Okla.	Sparkman
Cox	Kerr	Stewart
Cravens	Kilday	Tarver
Crawford	Ludlow	Tolan
Curley	McGehee	Torrens
Daughton, Va.	McMillan, S. C.	Vinson
Davis	Mahon	Welch
Dingell	Mankin	West
Earthman	Mansfield	Wickersham
Eberharter	Mont.	Wolfenden, Pa.
Engel, Mich.	Mansfield, Tex.	Wood

The SPEAKER. On this roll call 355 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1947—CONFERENCE REPORT

Mr. HARE submitted the following conference report and statement on the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 39 to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, having met after full and free conference, have been unable to agree on Senate amendment numbered 39.

BUTLER B. HARE,
JOHN J. ROONEY,
M. M. NEELY,
FRANK B. KEEFE,
H. CARL ANDERSEN,

Managers on the Part of the House.

PAT McCARRAN,
KENNETH McKELLAR,
RICHARD B. RUSSELL,
JAS. M. MEAD,
ABE MURDOCK,
JOSEPH H. BALL,
WALLACE H. WHITE, Jr.,
STYLES BRIDGES,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on amendment numbered 39

of the Senate to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report as to such amendment, namely:

Amendment numbered 39: The conferees have been unable to reach any agreement whatever respecting the differences of the two Houses on this amendment and hence the amendment is reported in disagreement.

BUTLER B. HARE,
JOHN J. ROONEY,
M. M. NEELY,
FRANK B. KEEFE,
H. CARL ANDERSEN,

Managers on the Part of the House.

EMERGENCY PRICE CONTROL ACT OF 1942, AS AMENDED

Mr. SABATH. Mr. Speaker, I renew my request to call up House Resolution 707.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution the joint resolution (H. J. Res. 371), extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, with the Senate amendment thereto, be, and the same is hereby, taken from the Speaker's table; that the Senate amendment be, and it is hereby, disagreed to by the House, that the conference requested by the Senate on the disagreeing votes of the two Houses on the said bill be, and hereby is, agreed to by the House; and that the Speaker shall immediately appoint conferees without intervening motion.

WE NEED PRICE CONTROL

Mr. SABATH. Mr. Speaker I yield myself 5 minutes and later on I shall yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. Speaker, this resolution complies with the request of the Senate to send the OPA bill our original House Joint Resolution 371 to conference. I am of the opinion that most of the Members, having the interests of the people at heart and desirous of seeing that the public shall not be mulcted and held up by excessive prices which have been going up since July 1, will adopt this resolution in the hope that the conferees will be able to agree on a bill which will safeguard and protect the consumers from the extortionate and outrageously high prices they are now obliged to pay due to the fact there is no law in effect.

NEWSPAPERS SUPPORT PRICE CONTROL

I have in my hand many clippings and articles from newspapers that formerly were opposed to price control that now realize something must be done and that a decent price control law should be enacted without delay. These newspapers include the New York Times, the Chicago Sun, Baltimore Sun, Chicago Times, Washington Post, Philadelphia Record, and other outstanding newspapers of the country.

Mr. Speaker, in view of what has been going on throughout the Nation recently, I feel that the conferees of the House will be able to convince the Senate conferees that the changes must be made and that the exemptions provided in the Senate bill, which place the burden of the high cost of living on those

who can least afford it will be stricken and that an agreement will be reached that will be in the interest of the people. I fear unless something is done we will have a situation in this country that will be troublesome because laboring people cannot exist on the present scale of wages with the increase in the cost of living, from 20 to 30 percent, that has taken place in the last few weeks, especially since July 1. In fact, the prices now are higher than ever before. It is manifestly unfair, unjust, and unreasonable for the producers and manufacturers of this country to be permitted to charge the people of the Nation exorbitant prices for the purpose of enhancing and increasing the already tremendous profits which they have made and which they do not need. People need food.

PEOPLE CANNOT FEED FAMILIES PROPERLY

The common people cannot feed their families properly at the present high prices. I hope, therefore, that many of you who voted for the crippling amendments to OPA and forced the President to exercise his veto will now realize the vital need for effective price control, and the alarming conditions, and will be willing now to change your vote on this measure, just as I changed my own position a few days ago on another bill, as you will recollect. I feel that effective and impartial price control is in the best interest of our country and of the American people.

In that connection I wish to call attention to the outrageous increases in the price of foodstuffs in the last 2 weeks; yet in the face of this the Senate bill would strip price controls from nearly all foodstuffs.

VOTERS WILL PROTEST

I fully appreciate the influence, Mr. Speaker, and the persuasive power, of these economic blocs formed by growers and producers and processors of livestock, grains, dairy products, meat, poultry, eggs, cottonseed, soybeans, tobacco, petroleum and petroleum products; but what of the 140,000,000 consumers in the United States? Do they deserve no consideration? Will they accept this raid on their incomes without a word or vote of protest?

I hope the Senate will not insist upon protecting these special and regional interests at the expense of the American consumer, who has been finding it increasingly difficult to make ends meet under these unjustifiable rigged-up food prices.

Our failure to adopt a decent price-control bill, as I have said many times on this floor, is almost certain to bring about a dangerous spiral of inflation with its train of reduced real wages, the wiping out of savings and of equities in annuities, pensions, and insurance policies, reduction in standards of living, strikes, consumer resistance, and eventual swift deflation with its ruinous consequences.

SHOULD CONSIDER FUTURE

If the pressure groups—the manufacturers, growers, and packers—instead of giving way to their avaricious desire for big, quick profits, would give consideration to the future and their continued

welfare, they would realize that deliberately inviting inflation will bring greater eventual loss than they can possibly make now in immoral profits.

There has been so much said about the unfair bill which the President was forced to veto, and so much more about the present Senate bill, that the country is up in arms. I have no doubt that since the other body adopted this still more unjust measure they have heard from home in no uncertain terms, and are coming to realize that it is not only in their country's interest but in their own to present a bill to the President which he can sign.

CONSIDERS RISES CRIMINAL

Every report indicates bumper crops of every kind in 1946. What possible justification can there be that some foods shot skyrocket—not just 20 or 30 percent, but 50 and even 60 percent in just 2 weeks' time?

I consider this criminal.

Mr. Speaker, I desire to insert at this point some headlines of the last week, selected from daily newspapers received in my office; and I want to draw attention to the fact that, regardless of editorial policy on OPA of a few weeks ago, daily newspapers all over America, with only a few exceptions, now support the principle of price control.

From the Washington Post: "Menus reflect increased costs—Many restaurants boost prices 25 percent and up; others will be forced to follow."

From the Christian Science Monitor: "Capital deadlock on OPA controls threatens Nation with price crisis."

From the Washington Star: "Bumper harvest seen for sixth year in latest crop report."

From the New York Times: "Riddled OPA bill passed by Senate."

From the Chicago Sun—On Stokes' Column: "Senate walls soundproof to public roar over OPA."

From Philadelphia Record: "Present food costs make it impossible to raise family, says \$38-a-week worker—Only profiteers happy over Senate's OPA bill."

From Chicago Sun: "Individual savings drop in quarter to \$2,900,000,000."

From Washington Times-Herald: "Food prices hit new high; cattle at \$23—Buyer strikes urged in New York, Philadelphia."

From Chicago Times: "Mass meetings hit OPA foes—OPA's scuttlers peril 3,000-home vet town."

And finally, Mr. Speaker, I desire to insert from today's Washington News a round-up story on retail prices in Washington:

RETAILERS "STRIKE" ON MEAT PRICES

The first 2 weeks without OPA already had put some dents in District pocketbooks today as meat prices continued to skyrocket and dairy products clung to their higher levels.

Fruits, vegetables, and other perishables appeared to be holding the line, although normal market fluctuations brought increases of a few cents on some items.

MEAT ARRIVES

Arrival of 30 carloads of meat here yesterday added to a greatly increased supply already in warehouses and gave the District its largest quantity of meat since OPA expired. However, little of it had reached re-

tail showcases today because most retailers have been unwilling to pay the high wholesale price and pass it on to their customers.

Said the proprietor of a District Grocery Store at 1109 Florida Avenue NE.: "Meat at that price? I won't fool with it. My customers wouldn't stand for it."

A butcher at Chiapini's Market, Fifth Street and Florida Avenue NE.: "We can get plenty of meat if we'd meet the wholesale price. But we couldn't sell it."

Mrs. Anna Gusinsky, owner of the Tip Top Market, 203 Florida Avenue NW.: "If I wanted to pay the wholesale price I could load the store with meat. But my customers wouldn't buy it—I give them credit for that. They're cooperating nicely."

"The OPA was good for a little store like me," she said. "It kept prices down and gave us a chance to buy what we wanted from the wholesalers. Now tie-in sales are flourishing again, and the wholesale price has gone sky high. Even hog liver was at 35 cents a pound last Saturday. Used to be 17 cents. Some people will pay anything, but my customers aren't that kind."

SAMPLE PRICES

Here are prices on 14 commodities sampled throughout the city yesterday by a News reporter. They show what's happened to prices since OPA's death:

Milk: Up 3 cents at all stores.

Pint of cream: Up 6 cents (from 33 to 36 cents a half pint).

Potatoes (10 pounds): Were 35 cents at chain stores. Now selling for 33 cents.

Onions: Were 7 cents a pound at chain stores. Now down to 4 cents.

Fresh peas: Range from 14 cents a pound at chain stores to 20 cents at some open-air markets. The wholesale price has gone up from \$1.50 a bushel to \$2.50, one dealer said, but the raise hasn't been passed on to consumers.

TOMATOES UP

Tomatoes: Prices ranged from 20 cents at one Giant store to 25 cents at others. On the average they were up about 2 cents a pound.

Oranges: There were almost no large oranges in town. A few sold 2 pounds for 20 cents. Small juice oranges are plentiful and are selling at OPA ceilings or below. Grocers estimated the wholesale price on large oranges has gone up 50 cents to \$1 per box, while small oranges have dropped as much as \$2 a box.

Lemons (3): Range from 9 to 12 cents, depending on size. No change in price since July 1.

Bread: No change.

BEEF UNAVAILABLE

Butter: Price has soared anywhere from 58 to 90 cents. One grocer now buys it for 80 cents wholesale, sells it at a 1-cent loss to attract trade. Most stores now carry plenty of it, but some stores still refuse to pay the wholesale price.

Rump beef (4 pounds): Practically none in the District. Safeways—if they had it—would charge \$1.96.

Ground beef (1 pound): Averages 33 cents at chain stores. One retailer reported the wholesale price of beef had jumped from 26 to 55 cents a pound.

Rib pork chops: Pork and ham are still practically nonexistent at retail stores. Wholesale prices, up as much as 30 percent, have discouraged buying, some retailers said.

Eggs (1 dozen): Safeway grade A eggs have risen 1 cent to 52 cents a dozen, but grade B eggs dropped 2 cents to 43 cents a dozen. Other stores reported slight increases. At one DGS, eggs were up to 60 cents.

Most chain stores were still attempting to hold the line—even on meats—but agreed it was questionable how long they could keep from passing wholesale increases on to the consumer. Open-air markets were, for the most part, meatless. Small independent stores appeared to be resisting wholesale

price jumps by refusing to buy. Most expressed fears that their customers would not meet the new prices.

Following is a table of comparative chain-store meat prices at various cities, the first figure being the old OPA price and the second yesterday's quotation:

	4 pounds rump beef	1 pound ground beef	3 medium pork chops
		<i>Cents</i>	<i>Cents</i>
Cleveland.....	\$1.08-\$2.20	22-37	38-43
Pittsburgh.....	1.48-1.96	22-34	36-42
Columbus.....	1.17-2.40	26-43	38-38
Cincinnati.....	1.64-1.92	28-35	18-21
Indianapolis.....	.96-1.64	27-39	33-40
Evansville.....	1.02-1.36	26-34	36-42
Memphis.....	1.00-1.28	28-35	36-44
El Paso.....	1.12-1.40	27-35	39-45
Albuquerque.....	.92-1.12	24-29	35-42

I now yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. MICHENER. Mr. Speaker, I shall not go into the merits or demerits of price control. I shall not discuss in any way the bill passed by the House or the amendments of the Senate. I go right to the heart of the matter so far as the business now before the House is concerned, and it is this: The House passed the bill extending OPA "as was" for 20 days. The Senate, after mature deliberation, amended the bill and messaged it back to the House with the request that the House concur in the Senate amendments. That bill, passed by the House and amended by the Senate, is now on the Speaker's desk, and under the rules of the House it can only be taken from the Speaker's desk and given consideration by the House, or sent to conference, by unanimous consent, or by a rule.

The leadership has been unable to get unanimous consent. Therefore, a rule has been reported which does just one thing. It takes the bill from the Speaker's table and sends it to conference; that is all. If the resolution carries, the OPA bill goes to conference. There can be no instructions to the conferees under this rule, because there are no conferees until the rule is passed. If anyone in the House does not desire to send this bill to conference as provided in the rule, the parliamentary option would be to vote down the previous question, whereupon the Committee on Rules, having charge of the rule, would lose control, and whoever was recognized by the Speaker to offer an amendment to the rule would be recognized for 1 hour. The same would be true so far as any other Member of the House desiring to offer an amendment is concerned. He would have an hour, and so on, as long as the House desired to discuss the matter. That is the situation presently before the House.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Ohio.

Mr. JENKINS. The gentleman stated that the rule was so worded now that no one could give the conference committee any instructions. But that does not mean, of course, that after the con-

ference is in session that the conferees cannot come back and ask for instructions then.

Mr. MICHENER. No. This rule is perfunctory. It is a rule that comes in very often when some individual objects to sending a bill to conference. I repeat that all this does is to send this bill to conference.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I should like to know if a vote to take this bill from the Speaker's table and send it to conference in any way could be construed as voting for or against on the merits of the controversy.

Mr. MICHENER. No. This is very important. A vote to send the joint resolution to conference is simply an expression of the person who votes, that he wants some definite conclusion reached, he wants some final action taken, and he is willing to send the bill to conference to see if some agreement cannot be reached between the House and the Senate. On the other hand, if the previous question is voted down—let us be fair and understand this—then the resolution is open to amendment, and the amendment might be that the House agree to the Senate amendments. So if that should happen and the vote should be on the amendment, it would necessarily follow that one who voted for the amendment favored adopting everything that was in the amended bill. If I were in complete agreement with everything found in the Senate bill I would be justified in voting against the rule. Otherwise I should have to give the conferees a chance to make the bill better.

Mr. JENKINS. I got the impression that when the bill went to conference the conferees could not come back.

Mr. MICHENER. Oh no. I used clumsy language if I conveyed any such impression. If this bill goes to conference, then the conferees will meet. They may agree if they do, they will so report and the House can then approve or disapprove. If they do not agree, they will report back to the House and the House will then have full control of everything that was before the committee of conference. The House may then instruct the conferees. The House then can deal as it sees fit with the situation. The House will be permitted to work its free, untrammelled, and unhampered will as to this whole legislation. It seems to me that is the fair and the sensible course to follow.

Mr. JENKINS. The gentleman said if we voted the previous question down the Committee on Rules would lose control of the resolution. What would the individual who gained control ordinarily do, then? What would be the next procedure?

Mr. MICHENER. I thought I explained that. The individual would be recognized ordinarily to offer an amendment to the rule, whereupon the control of the rule would rest in that individual. He could move the previous question any time he saw fit or he could use an hour in debate, and he could yield time during that hour. However, when he finished,

if there was someone else with an amendment, the whole matter would be open for discussion and amendment in the House. This would continue until the previous question was ordered.

Mr. JENKINS. H would have to talk about the rule and not about the bill? His discussion would have to deal with the rule and not with the matter in the bill?

Mr. MICHENER. The same rule would apply as applies right now.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Illinois.

Mr. SABATH. In view of the seriousness of the condition which confronts the Nation, does not the gentleman think we should not waste any more time but should give the conferees a chance to see what they can do?

Mr. MICHENER. My time is limited. I did not yield for a speech, I yielded for a question.

Mr. SABATH. That is a question.

Mr. MICHENER. Ask it, then.

Mr. SABATH. Is it not best that we should agree to the rule and let the conferees see if they can work something out? If they do not, they will have to come back to the House. Whether they do or not, they will come back to the House, and the House can then vote on it.

Mr. MICHENER. The gentleman has stated a conclusion. Some Members think one way, other Members think another. We are all sincere and we all respect one another's views. Personally, I shall vote to send this bill to conference because I think it is the best way and the most orderly way of proceeding—not that I agree with everything that is contained in the Senate amendments. I may vote against the conference report when it comes back. That will be the final vote on what goes to the President.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield for a question.

Mr. PLUMLEY. Then I understand the situation to be that if you want to send this bill to conference you will vote for the previous question to be ordered?

Mr. MICHENER. Yes.

Mr. PLUMLEY. Since that is so I shall vote for the previous question in order that the conferees may try to work out a compromise price-control bill which will be satisfactory to me.

If they do not do that I shall vote against their report.

I am ready to assume responsibility for legislating, as is my duty. I need no threat of veto by the Executive to impel me to vote as I think is right and in the interest of the country. As a matter of political partisan strategy, the Republicans should send the bill to conference, await the result thereof, and then vote for or against the report.

In my opinion any partisan political action taken by the Republicans at this time is poor political strategy, ill considered, ill advised, and premature. The time for us to act is if and when the conferees report and the compromise is or is not satisfactory. Then the last word may be said so we can then talk and vote understandingly more so today.

Mr. MERROW. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield for a question.

Mr. MERROW. As I understand it, if the previous question is defeated here this afternoon, then the House could work its will directly on this bill today?

Mr. MICHENER. The House could do what it saw fit for the rest of the day and for the rest of the week. I think the gentleman has been here when some of these things have happened. If he has, he knows that the usual result is confusion if we attempt to write a bill of this type on the floor.

Mr. MERROW. The House could defeat it or amend it, could it not?

Mr. MICHENER. Of course.

Mr. WILSON. The gentleman from Michigan made the observation that if a Member votes for the proposition which would send this bill to the White House as is, he favored everything in the bill. I think the gentleman might say that the bill as is, is probably the lesser of the evils which we will have to send to the White House at some future time.

Mr. MICHENER. Yes; that is just the question—whether it is the lesser of the evils. For my part, there are some things in it that I do not like, and I am willing to try to make it better before I cast my final vote.

Mr. WILSON. We may get something worse.

Miss SUMNER of Illinois. If you want the Senate bill, is not the quickest way to vote down the previous question and then offer the amendment to accept the Senate bill?

Mr. MICHENER. Yes; if the lady is satisfied in every way with the Senate bill, that is the thing to do.

Mr. PHILLIPS. The gentleman has made a statement which is not entirely in accordance with the facts.

Mr. MICHENER. If I am incorrect, I hope the gentleman will correct me.

Mr. PHILLIPS. The gentleman said something about the place of rewriting the bill. May I ask the gentleman if this is not the only place that anything can be done to the bill in view of the way it came back?

Mr. MICHENER. The gentleman is quite right. Final action must always be taken in the House. What I meant to say, and I repeat, you cannot write a tax bill on the floor. You could not write an OPA bill from the beginning on the floor of the House. You must take the handiwork of a committee that has worked and considered the matter and then make such changes as the House desires on the floor.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the Chairman of the Committee on Banking and Currency, the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, Blackstone said the common law which was founded upon the experience of mankind throughout the ages was the perfection of human reason. The parliamentary law has been built up by the same processes—it is the experience of the legislative bodies through the years. One of the great devices that has been adopted is to adjust disagreements between the two bodies is the conference.

I do not see any reason why this resolution should not be sent to conference. The conferees may work something out that will be acceptable to both Houses as well as to the President. Possibly they may not accomplish that result. But certainly we would be negligent if we did not make the effort. The House, as the distinguished gentleman from Michigan has told you, does not lose control of the measure by sending it to conference. If you send it to conference both sides will be fully represented. The gentlemen on my left need have no apprehension that they will not be well represented from their standpoint, because some of the most able members of the Banking and Currency Committee will be members of that conference.

The conditions that confront us now are perilous conditions—perilous to the individual and perilous to the Nation. It is no longer a theory that confronts us; it is a condition. We do not have to argue about what will result if all restraints are taken off and all controls are eliminated. The President has appealed to the people to exercise self-restraint, but cupidity is one of the strongest instincts of human nature. You cannot rely upon men not charging everything they can get for the products they make because they want to be of service to their Government and to the people. The pressures that make for inflation are as great now as they ever have been. While we recognize many inequities and inequalities and injustices that may have resulted in the operation of price control, to take away all these restraints at this time would be imperiling the very future of the Nation and the happiness of the people. I do not feel there is any doubt as to what you will do. I know some of you have very strong opinions about OPA. Some of you believe that controls should be removed on most things, but certainly there are few Members here who believe that we should abandon price control entirely now in the light of what we have seen in the last few weeks. I do not have to cite statistics to you. You go to the grocery store, or the meat market and I know what you will discover. I know what I have discovered.

There has been a rise in the cost of living. The train of attendant evils that will follow is indescribable and inconceivable. That was a time when the laboring man accepted his dollar. The dollar was sufficient. He was not looking for purchasing power. But today he is asking for a dollar that will purchase the things he needs. If you reduce by one-third, reduce by one-fourth, or a lesser amount, the value of his dollar, you will have industrial unrest. You will have a train of evils that I do not want to be responsible for, and I know you do not want to be responsible for them without making every effort to prevent it.

The SPEAKER. The time of the gentleman from Kentucky has expired.

BILL SHOULD BE SENT TO CONFERENCE

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I have only 2 minutes and, therefore, I cannot yield to anyone.

A vote against the previous question is a vote against price or rent control. A vote against this resolution is a vote against price or rent control.

I have two charts here showing that the cost of living went up 13.1 percent during the 3 years preceding June 28, 1946. Since that time it went up to 22.7 percent to July 12, 1946, and 2 percent additional since July 12 to July 15. That shows what will happen to scarce goods and commodities out of control. On July 1, 1946, the rise was up to 3.6 percent from the preceding day; July 12, 22.7 percent; yesterday, July 15, 24.3 percent. The figures include 28 basic commodities. If we do not have controls on scarce goods and commodities, they will get out of line. We know that. We will be called upon to raise the pensions, compensation, and benefits of all veterans and their dependents first, and we should. We will be called upon to raise that \$65 for educational purposes for single veterans and \$90 for married couples to go to school and college. We will be called upon to raise all salaries and wages, because the people who live on fixed incomes, retirement benefits, or fixed amounts of any kind, will be the first to suffer. They cannot stand it. All except the very rich in this country will be wiped out without some kind of price and rent controls. We are now facing the critical issue: Will we in time of peace do what we did in time of war, when we saved a hundred billions on the cost of the war machine alone? Our national debt today would be a hundred billion dollars more had it not been for the fixing of prices on steel, copper, zinc, and all other critical materials that went into the cost of the war. This rule should be adopted and the bill sent to conference.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. MICHENER. Mr. Speaker, just one observation about the remarks of the gentleman from Texas. If I understood him correctly he said that if a certain vote were cast a certain way it would be against rent control.

Mr. PATMAN. Price control.

Mr. MICHENER. I think the gentleman said rent control. I wish to call his attention to the fact that the only vote that has counted against rent control was the veto of the President of the United States when he killed rent control by his veto of all OPA controls.

Mr. PATMAN. Did the gentleman ask me a question?

Mr. MICHENER. No; I made a statement, which is factual. The Congress voted to continue rent control and President Truman vetoed the bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, it seems to me that the sensible thing to do is to send this bill to conference. I do not think it is necessary to discuss the merits of price control here at this particular time, because it has been debated for months and everybody knows how he thinks about whether price control should be continued or should not be continued.

A vote for or against sending this bill to conference is not a vote for or against

price control; it keeps the position, it keeps the House, it keeps the legislation practically in status quo and it enables the Congress to have exhausted all parliamentary processes for the orderly consideration of this very important subject. It makes it possible for the conferees at least to meet and see what can be done.

I think that we owe a duty to the Congress, and to the country in this crisis because it might develop into a very serious crisis, to at least exhaust every parliamentary process available to see if something cannot be done and at least assure the country that when we have taken final action it has been the result of calm and exhaustive deliberation.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JOHNSON of California. Is it not a fact that if this bill goes to conference the rewriting will be in the hands of men who are on the Committee on Banking and Currency, who have attended all the hearings and who have a lot of experience and discussion of the matter?

Mr. WOLCOTT. I assume that is true; also that the conferees are in the embarrassing position of not knowing just what the House position is at the present time. So we are going to be rather cautious in all respects, I can assure you.

It does not seem to me that it is possible for any price control to be written unless the Senate is willing to yield considerably from its position. So undoubtedly those who are on the conference committee will propound the inquiry to the Senate conferees as to what they are willing to do toward a compromise, and it is theoretically possible that this bill will come back to the House in disagreement very shortly and at that time the matter will be open, fully open; every question can be discussed at that time in a motion to instruct the conferees.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MILLER of Nebraska. I am wondering if conditions have not changed so in the country in the last 3 or 4 weeks that the conferees cannot do much without some instruction from the House.

Mr. WOLCOTT. I think conditions have changed materially. Even if we were to send back to the President the same bill he vetoed, the administrative problems which confront us now would be so tremendous as to be almost impossible of solution.

This bill at the present time is in worse condition than it ever has been in the history of OPA legislation, and, frankly, I do not know what to do with it any more than you know what to do with it, but at least we should talk about it a little bit, because there is no price control at the present time. We are going to do no harm by taking a matter of 2 or 3 days talking about it, and possibly in that time the situation will crystallize sufficiently throughout the country so that our position will be different from what it is at the present time.

Mr. VORYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Is it not true that the House has never voted for a consumers' subsidy when there were not subsidies already in effect; so that on this one item the conferees do have some judgment from this House in that it has always disapproved of consumer subsidies? Now that they are off and the shock of taking them off is gone, the conferees could well eliminate subsidies from the bill.

Mr. WOLCOTT. That is one of the incongruous things that we find in the Senate bill. There are several of them. That is why I say that I think the Senate has got to yield from its position in order to get any kind of a price-control bill. We do not know how far it will yield, and how far it yields depends on whether we will ever get a satisfactory price-control bill.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Speaker, it has been stated here this afternoon that a vote for this rule is not a vote for the continuation of price control. That is true, since we today have no means of knowing what type of bill will come from the conference of the two Houses. However, it is true that a vote against this rule is a vote against the continuation of price control since no measure of consequence can be enacted unless we send the Senate bill to conference. Consequently it is vitally important that all Members who favor a decent, fair, price control program vote in favor of this rule; it is the only possible course to take if we are to have even a chance of saving the price control line.

In view of the pending discussion on price control, I think it is pertinent to look at the results of a survey on the meat situation right here in Washington made recently by the executive director of the New Council of American Business, Mr. H. L. McCarthy. Mr. McCarthy, making a survey personally has discovered that retail meat prices last week were 73 percent above OPA ceiling prices.

On the first dates they reported meat selling on an average 16 percent over ceilings. On the latter dates it was selling at 25 percent above ceilings. The average on both dates was 19 percent.

Unless my division is bad, 73 percent is almost four times 19 percent.

Mr. McCarthy said—

That is how far the American Meat Institute misled the Senate committee in seeking to end price control on meat.

In mid-April the OPA made an enforcement check and found meat selling an average of 3½ percent over ceilings. My guess is that consumers will notice the difference between that and 73 percent.

We made this survey—

Mr. McCarthy said—

because in the belief of the manufacturers, wholesalers, and retailers who are members of the New Council of American Business, inflation and the inevitable collapse and depression that will follow it will be disastrous to the public and to business. Nothing

illustrates more effectively the terrific inflationary pressures we are living under than what has happened to meat prices. We think Congress should know the truth before it is too late.

Here are the purchases made by housewives during the New Council survey. All told, about 60 stores were visited, but many of them were out of meat.

	Ceiling price	Recent prices	Percent over ceiling
Chuck roast.....	\$1.27	\$3.29	159
Boneless sirloin steak.....	.68	1.68	147
Chuck roast.....	1.49	3.56	139
Fresh ham.....	1.85	4.40	138
Sirloin steak.....	.88	1.87	112
Fresh pork belly.....	.26	.55	110
English cut beef roast.....	1.22	2.59	112
Rib steak.....	.76	1.59	109
Pork shoulder:			
Sliced.....	.33	.63	91
Fresh sliced.....	.72	1.34	86
Veal cutlet.....	1.44	2.65	83
Pork shoulder, fresh sliced.....	.74	1.35	82
Beef roast (shoulder) boneless.....	1.96	3.52	80
Boston butt, fresh ham.....	1.23	2.25	76
Fresh ham.....	1.45	2.49	72
Pork chops.....	.31	.52	68
Do.....	.35	.58	66
T-bone steak.....	1.90	2.95	55
Boston butt fresh ham.....	.61	.94	54
Smoked ham.....	.38	.53	53
Center pork chops.....	.49	.74	51
Pork chops.....	.61	.86	41
Ground beef.....	.15	.20	33
T-bone steak.....	.90	1.12	24
Brisket beef.....	1.23	1.45	13
Pork roast.....	1.22	1.20	-2
Spiced ham.....	.61	.60	-2
Do.....	.27½	.25	-10

Average charge above ceilings:	Percent
Beef.....	88
Pork.....	68
Both.....	73
Charges over ceiling prices:	
Wednesday, July 10.....	57½
Friday, July 12.....	80
Both days.....	73

We hear much about removal of subsidies being responsible for increases in prices—

Mr. McCarthy said:

They account for about 18 percent of the increase. That leaves 55 percent of the increase coming directly out of the pocketbooks of the people.

His statement was based upon purchases of meat in 28 chain and independent Washington stores, some purchases being made on Wednesday, July 10, most of them being made on Friday, July 12. Washington housewives cooperated with the new council by doing the buying.

Beef sold 88 percent over ceilings; pork at 68 percent.

Prices were a little more reasonable on Wednesday, being 57.5 percent over ceilings. On Friday—housewives' big shopping day—they were 80 percent over ceilings.

Only three stores sold below ceilings—two being on sales of luncheon meat. The top charge above OPA ceilings was 159 percent, on purchase of a grade A chuck roast—

These facts—

Mr. McCarthy said—

Completely discredit the estimated price advances in the event of decontrol made by the American Meat Institute. On May 1, in testifying before the Senate Banking and Currency Committee, Mr. Robert Eggert, of the American Meat Institute, agreed with

Senator BUTLER of Nebraska that if price controls on meat were removed the price of meat would increase from 5 to 15 percent; with an average of 10 percent. He agreed that consumers were because of black market overcharges, paying more than they would be paying if meat controls were removed.

On February 27 and 28 and again on March 26 and 27, the American Meat Institute made surveys of meat prices in Washington, D. C.

This survey illustrates, Mr. Speaker, the trend that we are finding all over the country. It will continue to worsen if we in this Congress do not live up to our responsibilities and enact a price control law that can hold the line against inflation. None of us wish to continue wartime controls. All of us are sick and tired of such controls, and are anxious to get back to our traditional American way of life. But for our own selfish interests, in our own self-defense, it is imperative that we do hold the line a little while longer. I hope that this rule will be passed with a tremendous majority, and that the conferees will bring to us a bill for which we can conscientiously vote and which the President can sign.

(Mr. OUTLAND asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I was very glad to hear the remarks made by the gentleman from Michigan [Mr. WOLCOTT], because this is the usual course that is followed of sending a bill to conference where there is substantial difference between the two branches. Unlike my friend, however, I have a feeling of optimism, I feel confident if the bill goes to conference that out of the conference will develop a bill which will be acceptable. I make that observation with a strong feeling of confidence. I repeat, I believe that if the bill goes to conference that will emanate from the conferees an acceptable bill.

It is very important and highly imperative, in my opinion, that we pass some kind of a bill before we adjourn. This is a matter of extreme importance to all Members, without regard to party.

Mr. Speaker, I have before me, and I received it only this morning, a list of the increases that have taken place to date, and, may I say, that these are wholesale prices.

For example, boneless chuck in March this year, 28½ cents was paid; May, 29 cents; June, 29½ cents; July, 40 cents.

Bacon in March was 34 cents; May, 34 cents; June, 36 cents; July, 48 cents.

Butter in March was 51½ cents; May, 51½ cents; June, 62 cents; and July, 68 cents.

Chicken—friers—in March was 35 cents; May, 44 cents; June, 45 cents; July, 55 cents.

Beef tenders in March, 60 cents; May, 60½ cents; June, 60½ cents; and July, \$1.10.

Calves' liver in March, 64 cents; May, 64 cents; June, 64 cents; and July, 85 cents.

There are others. These are wholesale prices that I obtained this morning from

a purchasing agent who lives in Washington and buys at wholesale prices, which demonstrates that this bill should go to conference and that some kind of effective price-control legislation should be enacted into law.

I yield to the gentleman from Michigan.

Mr. MICHENER. In commenting upon the price list to which my distinguished friend the majority leader, the gentleman from Massachusetts, has just referred, first, those items are all covered by subsidies which have been removed; they were items on which the Government paid part of the consumer cost.

Mr. McCORMACK. That is true.

Mr. MICHENER. In the second place, does not the gentleman agree with me that since the increase in wages and production costs that there has been a gradual increase in the costs of consumer goods, even under the OPA, and that there are bound to be additional increases in costs, with or without OPA?

Mr. McCORMACK. That may be so; but the fact is that next November the consumers are not going to think in terms of that. Congressional contests are district contests. You just cannot gauge a congressional campaign based on national psychology, and I think the people would be justified, if we adjourn without some kind of effective price-control legislation, in putting into operation some kind of control of their own next November.

As a matter of consideration from a practical angle for all of us, the common-sense thing to do is for us to take the regular course and send this bill to conference. The important thing I wanted to say in a noncontroversial way is that if the bill goes to conference, with the information that I have, and a feeling of confidence, the conferees will be able to get together and report back to both branches a bill that will be acceptable and that will not be vetoed.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Nebraska.

Mr. BUFFETT. If the bill goes to conference, what position of the House will the conferees work from?

Mr. McCORMACK. The conferees will have complete authority. They have heard the evidence. One thing is certain, that the majority leader of the other branch introduced a bill, and it is fair to assume that the conferees on the part of the House would take cognizance of that fact.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. MICHENER. Mr. Speaker, I yield the remainder of my time to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, this is a rather unusual legislative situation in which we find ourselves. Certainly it is not the usual procedure or the usual situation. Neither is this the usual rule which we have before us.

In the first place, the House has not had before it any legislation relative to price control since the President's veto

was sustained, except a simple joint resolution to extend price control "as is" for 20 days in order to give, as we were told then, the House and the other body an opportunity to work out some sort of semipermanent or permanent price control legislation. During that 20-day period, when the Congress was supposed to be working out some kind of semipermanent or permanent price control legislation, the House Committee on Banking and Currency has not held any meetings on any price control legislation that I know of. They have not considered any permanent or semipermanent price control legislation of any kind since the Presidential veto of the former price control bill was sustained.

Such was not the situation in the Senate, however. Instead of passing our simple resolution to extend price control temporarily for 20 days, the Senate amended it so as to make it constitute an entirely new price control bill based, it is true, upon the old vetoed measure, but nevertheless new legislation which the House has not had the opportunity to consider at any time. So now today we are being asked to consider a rule which will give to seven individuals, the conferees appointed from the House, full power and opportunity to legislate for us.

The House itself will not be doing any actual legislating on price control at this time except to pass a resolution sending this bill to conference.

The rule we have before us is not the usual rule. The usual procedure is to adopt a simple resolution to send the measure to conference, without any limitation as is contained in this special rule. Under the usual rule, there is an opportunity given for any Member to make a motion to instruct the conferees as to the position the conferees should take on the controversial legislation to be considered by them.

I want to say very frankly and very plainly that this limitation provision of the rule was not discussed before the Committee on Rules but was prepared, I presume, after the Committee on Rules had acted on what I, at least, believed was to be the ordinary or regular type of rule. I want you to read the last part of this rule, lines 10, 11, and 12, "and that the Speaker shall immediately appoint conferees without intervening motion." This simply means that if this rule is adopted—I want to present this to you clearly if I can—there will be no opportunity for any intervening motion to be made to instruct the conferees to do anything. Therefore, the conferees will go into the conference with the Senate without any instructions from the House of any kind whatsoever, and they will be free to do exactly as they please.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. SABATH. I know the gentleman does not desire to leave any implication that I submitted anything against the wishes of the Rules Committee.

Mr. BROWN of Ohio. I make no implication against the chairman.

Mr. SABATH. That rule was prepared by the Parliamentarian.

Mr. BROWN of Ohio. At the time the rule was before the Rules Committee this particular provision of the rule was not discussed, and I as one member of the committee knew nothing of it.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. BARRY. Is not this the same bill that came out of conference and was vetoed by the President, with the exception of special decontrols and a modification of the Taft amendment?

Mr. BROWN of Ohio. It is an entirely new bill. It was introduced as a substitute for our resolution in the Senate. It is true that a part of the framework of this bill is the same as that of the bill vetoed by the President, but any other bill would partially require the same framework.

I have been very much interested in a statement of the gentleman from Texas [Mr. PATMAN], who, by the way, will be one of the members of the committee of conference, undoubtedly, if the usual procedure is followed. Of course, the statement of the gentleman from Texas made on the floor today demonstrated very plainly how he feels on price-control legislation and probably the position he will take as a member of the conference. I think he will take that position because he believes in it, and probably, without instructions from the House, he has the right to take such a position. But the gentleman from Texas [Mr. PATMAN] says that a vote against the previous question is a vote against price and rent control. I am sure he did not mean to make that statement, because it is absolutely incorrect. It is not true at all.

The statistics and the figures he gave, that chart—and I could just see the spirit of that great bureaucrat, Chester Bowles, hovering overhead as the gentleman from Texas spoke, smiling benignly down upon him and saying, "Well done, Brother PATMAN, well done," because—well, it is the old story of figures and figures, but I will not go into that.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from North Carolina.

Mr. BARDEN. In the interest of fair play and accurate information, referring to the chart displayed by the gentleman from Texas, on which I saw in big letters "Bureau of Labor Statistics," late yesterday afternoon I called the Labor Department and got the Bureau of Labor

Statistics and asked for the man in charge, and I asked him if he had any figures for the last 2 weeks on the cost of living.

He said he did not have complete figures. I said, "Where did the newspaper announcement come from?" He said, "Well, we did survey 15 articles in 12 of 55 cities." I said, "What is the tendency in the State of North Carolina?" He said, "Well, we do not have a thing on the State of North Carolina."

Now, that beautiful chart with all the writing at the bottom of it and looking as authoritative as a statute book is based upon 15 articles in 12 of 55 cities and he specifically told me he did not take into consideration the subsidies. "Of course", he said, "on subsidies you take them out of one pocket and put them into another pocket." I found the gentleman at the Labor Department very cooperative, and showed a desire to be absolutely fair, and to show a chart of that kind is not being fair to the Department of Labor.

Mr. BROWN of Ohio. I want to thank the gentleman. Of course, I am not going to inquire where the chart came from, or where those beautiful figures were prepared, but they certainly resemble charts and figures I have seen before, and I have my own opinion as to where they were prepared, and by whom.

Mr. JENKINS. I appreciate that the gentleman does not have much time but if the gentleman would get permission to extend in his remarks this chart containing the figures that I have set down on the basis of Department of Agriculture figures he will find some very illuminating figures which clearly indicate that the price of the Department of Agriculture market basket was less yesterday than it was 2 weeks ago. I will not take the time to give these figures but I would like to have them go in the RECORD.

Mr. BROWN of Ohio. I ask permission to extend my remarks at this point and to include the figures submitted by the gentleman from Ohio.

The SPEAKER pro tempore (Mr. MILLS). Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

WASHINGTON, D. C.

Republican Congressional Food Study Committee Weekly "market basket" based on Department of Agriculture studies for a family of three average consumers:

Commodity	Unit	Price on July 15, 1946	Price on June 29, 1946	Subsidy	Total
Cents					
Round steak	1 pound	\$0.49	\$0.40	9.1	\$0.491
Rib roast	1½ pounds	.55	.48	12.0	.600
Pork chops	1 pound	.41	.37	6.0	.430
Ham	do.	.55	.50	8.5	.585
Bacon	do.	.46	.42	6.8	.488
Butter	½ pound	.40	.33	9.8	.428
Evaporated milk	14½-ounce can	.11	.10	1.4	.114
Fresh milk	5 quarts	.775	.625	6.5	.690
Eggs	1 dozen	.52	.51		.516
Bread	4 loaves	.36	.36	4.0	.406
Flour	4 pounds	.22	.22	3.5	.255
Oranges	1 dozen	.72	.72		.72
Onions	1 pound	.4	.66		.43
Green beans	do.	.145	.145		.145
Sweet potatoes	do.	.15	.12		.12
Cabbage	1½ pounds	.45	.45		.45

Commodity	Unit	Price on July 15, 1946	Price on June 29, 1946	Subsidy	Total
Potatoes.....	5 pounds.....	\$0.165	\$0.145		\$0.145
Corn (No. 2 can).....	1.....	.13	.13	0.9	.139
Sugar.....	3½ pounds.....	.234	.227	4.9	.276
Coffee.....	½ pound.....	.15	.15	1.5	.165
Total.....		6.624	6.063	74.9	6.812

Total price for "market basket" as above set forth shows that a market basket that cost \$6.81 on June 29, 1946, under OPA could be purchased on July 15 without OPA for \$6.62.

Mr. BROWN of Ohio. I want to conclude by saying I do not know how much more it would have cost the American people if we had not had price control. Maybe it would have been \$100,000,000,000, as the gentleman from Texas [Mr. PATMAN] has claimed, but what is the difference? The gentleman from Texas has a method of taking care of such a contingency by just printing more paper money, and I am sure he will agree that is all that would be necessary.

The question now before the House is whether you want to send this resolution to conference. I am not going to tell you what to do, and I am not going to make any motions to take any specific action. That is up to you. But the question before us is whether you want to send this bill to conference by your votes and given seven men the power and authority to do all your thinking for you, and thereby not legislate on price control ourselves, as a direct measure now, but instead wait to see whether we will have any opportunity to legislate on it after the conferees get through. Or, to put it another way, the question is whether you want to vote down the previous question, and then amend the rule as you may see fit. If the previous question is voted down, you may amend the rule so as to send this bill, as the Senate returned it to us, directly to the White House, "as is," or you may amend it so as to instruct the conferees on different parts of the bill. For instance, you can instruct the conferees to agree to the Senate decontrol amendments; to agree to any or all of them, or to disagree to any or all of them—whatever you might wish to do, and then send the bill to conference. You may vote to bring this bill up on the floor and consider it section by section, or to even send it back to the Committee on Banking and Currency for full consideration and hearings. These are the questions you must pass upon by your votes. Of course, anyone who wants to vote down the previous question has a right to do so, or anyone may vote in favor of ordering the previous question.

Personally, I think the conferees of the House are going to be in a rather sad position when they go into the conference without any instructions whatsoever. They are going to be in a position where the Senators can say, "Well, what makes you take this position? Why do you argue this or that point? The House has not even passed upon this bill. You have no instructions of any kind from your House colleagues. They

have not voted upon the issues we are considering here in this conference. And the House conferees in all honor and honesty, and I am sure they are honorable men, will have to admit that they do not know what the House thinks about the issues involved, and that they are simply expressing their own personal opinions. And, of course, we have an idea what those personal opinions are, and will be.

Mr. SABATH. Mr. Speaker, I yield such time as he may require to the gentleman from California [Mr. Izac].

Mr. IZAC. Mr. Speaker, I merely want to briefly state my position on this resolution. It is obvious that if we defeat it the result will be submission to the will of the Senate, which means nullifying all price controls on the food our people must have in order to live.

The run-away prices which already are being placed on the necessities of life verify what we who have for months been trying to hold the price line predicted would happen if OPA were eliminated. And the price rise is just beginning.

If we have any feeling for the poor, for the old-age pensioners, for those who have been retired on small incomes, and for all those on fixed salaries and wages we must reverse the present trend or stand accused of violating our pledge to legislate for the welfare of our people.

I feel so deeply on this subject that I shall never give way before the irresponsible and utterly heartless attacks of the profiteers who care not what happens to the great mass of Americans just so long as their own selfish ends are served.

Each special group wants its own products exempt from price control—I say retain price control at least until prices on the necessities of life are stabilized at a low enough figure so our people can enjoy a decent living. Even now the only restraint in evidence on the part of those who are taking advantage of our people is the fear that Congress may put back the controls as they were before June 30. If we once give the profiteers the impression that all controls are gone just watch the prices rise sky high, and the savings and earnings of us all will be wiped out overnight.

We are in duty bound to hold the line against rising prices, and now is the time to act, if not for ourselves at least for the folks back home whom we claim to represent.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY of Pennsylvania. Mr. Speaker, the following telegram received

by me this morning expresses fully what is occurring in thousands of instances throughout the Nation. I spoke personally to the district attorney about this and he said he and the sheriff of the county are powerless to prevent such eviction or such unwarranted increase of rents. He pointed out that hundreds of cases such as this are being received in his office, but since rent control is out nothing can be done to protect tenants.

No doubt in many instances a modest increase in rents is justified. Many landlords were being penalized by the old law. Some provision should be made for their relief, but such merciless increase as pointed out below should be prevented.

GREENSBURG, PA., July 15, 1946.

Congressman A. B. KELLEY,
House Office Building,
Washington, D. C.:

Today we received a notice from our landlord, Mrs. Benjamin Miller, Lincoln Heights, dated July 12, stating unless we moved by August 1 our rent will be raised 100 percent, making it \$50 plus one-half utilities for three rooms. We have lived here 3½ years, have bought all paper and paint and done all the work. Mrs. Miller has complimented us on how nice the apartment looks. We are not permitted to use the laundry. The rents around our neighborhood run from \$18 to \$30. Mrs. Miller's daughter lives on the first-floor apartment and wants more room; so her mother wants to evict us. I saw the district attorney and the sheriff, and there seems to be nothing they can do. I have searched everywhere in vain for another house. I am a crippled ex-serviceman. I can't afford \$50 rent, as I am still taking treatment for my leg at my own expense. I know I am not the only one with rent difficulties, but please won't you do something for us and all people in our class, or advise us if there is anything that can be done to prevent the increase or eviction.

HARRY ROHRBACHER.

(Mr. KELLEY of Pennsylvania asked and was given permission to revise and extend his remarks and include a telegram.)

Mr. SABATH. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, not one single sensible reason has been advanced why the House should not follow the usual procedure and send this legislation to conference. On the other hand, just plain, ordinary common sense tells us that the right thing to do is to send the legislation to conference and see if the representatives of the Senate and House on the conference committee cannot work out a common-sense piece of legislation that will retain controls where necessary and at the same time prevent doing those things that will slow down production. The conferees will be the top men on the Senate and House committees that have handled all OPA legislation and will be familiar with every angle of the problem. If they make the proper effort, and I believe they will,

there is no reason why the right kind of bill cannot be worked out.

It would be a tragedy for the Congress to adjourn without working out a bill that will retain controls on those things that are in short supply until the supply level reaches the demand level. If we do, the most of living is going to reach such heights that our whole economy is going to be disrupted, and the President will have to call us back to do the thing that we should do now. While the cost of living has gone up since the death of price control, we have not, as yet, gotten even a taste of what will happen if we adjourn without first passing the right kind of a control bill. Producers and sellers have been holding the brakes on as best they could in the hope, many of them, that we would adjourn without taking action. Let this happen and you will see the brakes released as soon as we adjourn, and then prices will sure enough skyrocket.

I hope it will be the pleasure of the House to vote overwhelmingly to send this legislation to conference.

Mr. DE LACY. Mr. Speaker, the plain people want OPA. They want price control that will work.

Wage earners, pensioners, salaried men and women, business people who must be able to know what their materials will cost—all know the value of OPA.

Many merchants have tried to hold the line, but here is what had already happened to people's pocketbooks by July 9 in Seattle, according to an OPA shoppers' report:

MEAT PRICES

Dressed King salmon, up to 55 cents a pound from 39 cents on June 30, an increase of 30 percent; salmon steaks, up to 55 from 43 cents, 22-percent increase; dressed halibut, up to 49 from 34 cents June 30, an increase of 30 percent; halibut steaks, up to 49 from 39 cents, 20-percent increase; round steaks up to 65 cents from 43 cents, an increase of 51 percent; pot roast, up to 40 cents from 31 cents, 30-percent increase; sirloin steak, up to 65 cents from 45 cents, 44-percent increase; porterhouse steak, up to 75 from 52 cents, 44-percent increase; pork loins, center chops, up from 48 to 52 cents, from 40 cents, an increase of 25 percent; pork shoulder roast, up to 38 cents from 33 cents, 20 percent increase.

Leg of lamb, up to 47 to 50 cents a pound from 42 cents, 22-percent increase; lamb shoulder, up to 34 to 35 cents from 29 cents, 16-percent increase; lamb chops, up to 70 cents from 60 cents, 16-percent increase; shoulder steaks, up to 50 from 41 cents, 25 percent increase; milk, up to 16½ cents from 12½ cents, an increase of 4 cents; cheddar cheese, up to 60 cents from 50 cents, 20-percent increase; butter, up to 85 cents from 66 cents, 30-percent increase.

SOME PLACES HIGHER

A Post-Intelligencer reporter, taking the OPA list, checked two large downtown retail distribution centers and discovered that in some instances prices were higher than those quoted by OPA. Salmon, for instance, was selling not at 55 cents a pound, but at 58 cents a pound, and one dealer said he had refused to handle it when the wholesale price went to 44 cents.

The reporter found also that lamb leg was selling not at 34 to 35 cents a pound but for 39 cents a pound, and that the price for cheddar cheese was actually 65 cents a pound in three markets rather than 60 cents.

The reporter also found hamburger selling in two shops at 46 cents a pound.

AUTO PRICES UP

OPA automobile price experts have reported to the regional office that prices for some late model cars have advanced from \$50 to \$222. They reported the following increases on specific cars: A 1941 Plymouth sedan, \$1,100 from \$889; a 1940 Packard 110 sedan, \$1,239 from \$1,189; a 1941 Dodge sedan, \$1,378 from \$1,313; a 1941 De Soto sedan, \$1,770 from \$1,620; a 1941 Oldsmobile hydramatic sedan, \$1,312 from \$1,187; a 1941 Pontiac sedan, \$1,233 from \$1,088; another 1941 Dodge sedan, \$1,310 from \$1,250; a 1941 Dodge half-ton pick-up, up \$1,003 from \$928.

These shocking advances in the price of food and automobiles within 9 days of the death of OPA proves the need for action now.

We owe it to the people, we owe it to the country, to act to end this uncertainty.

How can we expect manufacturers and farmers to market their products if they can make 10 percent more by holding them another day?

I hope the Members of the House will vote for this rule and refuse to adjourn until an effective OPA bill is passed.

Mr. FORAND. Mr. Speaker, I sincerely hope and trust that this rule will be adopted so that the price control bill may be sent to conference. If that is done, there is still a chance that a fair and workable price control law will be enacted.

Should the rule be voted down we must then choose either to send the bill to the White House in its present form or try to rewrite it on the floor of the House.

Neither of these alternatives would, in my opinion, result in a satisfactory price-control law.

To send the bill to the White House as it is now written is to invite another veto. To try to rewrite the bill on the floor would, in the light of past experience, result in a conglomeration of legal phraseology purporting to be a price-control law, but which would in reality not be an effective one.

Let us send the bill to conference and hope that the conferees will bring back to us a workable law.

Mr. CORBETT. Mr. Speaker, I desire to take this opportunity to urge the conferees on the OPA bill to give the proposed Decontrol Board the power to restore price controls on any commodity which may as a result of the pending legislation or later decisions of the board be decontrolled.

Currently no one is wise enough to predict accurately what will happen to prices whether price controls are re-established or not. Certainly no one can guess with any degree of confidence what will happen if all or most of the vital provisions of the bill as it came from the Senate are retained in the eventual law.

Therefore, in order that the price gamble will go on in a boiler equipped with a safety valve I strongly urge that we retain the provisions in the bill setting up an independent Decontrol Board and that the Board be given the power to recontrol prices with or without legal limitations on its power.

This idea was embodied in a bill, H. R. 6000, which I introduced on April 4 last which provided for an independent economic council to govern prices and wages for 1 year.

Certainly with the Congress about to adjourn and with all kinds of possible economic trouble lurking around corners the creation of such an independent board or council is the only thing that could leave the Congress and the public with a feeling of security regarding the danger of price inflation. Furthermore, with all the conflicting sectional interests; and all of the conflicting producers' and consumers' interests; and with all the conflicting political interests involved in this bill compromise is necessary. In this proposed independent board to decontrol and recontrol prices with or without formula limitations we may very well find the compromise so many seek. I urge the conferees to include a board with such powers in their report.

Mr. MADDEN. Mr. Speaker, the price-control bill passed by the Senate is now being presented to the House for consideration.

When this legislation was before our body originally, crippling amendments were adopted which led to the President's veto of this legislation. On account of the situation which has arisen by reason of the President's veto, we have been without price control since July 1. Since that date the opponents of price control throughout the country have been exerting every effort to persuade producers, wholesalers, and retailers to cooperate in keeping prices down. The inferences contained in some of the full-page newspaper advertisements were that if prices are temporarily kept down, the Congress will adjourn without passing an effective price-control law. Regardless of the strenuous propaganda against high prices since July 1, the Bureau of Labor Statistics yesterday stated that prices on 20 essential items to the consumer have risen from 14 to 21 percent on the average. Considering this unreasonable rise in the cost of living during the last 2 weeks, one can imagine the skyrocketing of prices which will take place if Congress adjourns without passing a rigid price-control law.

The legislation that the Senate passed has taken control from a number of major food items. To the average consumer in America, the Senate bill is worse than no bill at all.

The Members of Congress must remember that the statistics of the Federal Reserve Board revealed that two out of every five American families have less than \$40 in cash on hand, including Government bonds and every other form of liquid assets. We know that in industrial cities overtime pay has been eliminated and the average check of the workers is approximately one-fourth less than it was 6 months ago.

It is the duty of the Congress to save the economy of our country by building every barrier against an uncontrolled inflation. Congress must pass stringent price-control legislation to keep down the cost of living before adjournment or we will be called back in a couple of months to solve the problem of providing food and the necessities of life for millions of American families.

Mr. DINGELL. Mr. Speaker, I want to state briefly that I am very much disappointed in the OPA bill which was sent to us by the other body. In spite of the

fact that the bill does not contain the cost-plus provisions of what was known as the Taft amendment, or the equally undesirable Wherry amendment, it is, nevertheless, not acceptable to me, to my constituents, or to consumers generally in its present form because it is deficient and worse on the whole than the bill which the President vetoed.

It is a bill which favors a certain element of unscrupulous manufacturers, rent gougers, and the big overly prosperous and rapacious farmers. Of course, there are others of a nondescript character and unlimited number, all working together against the consumers, particularly against those living in the cities.

Let me say at this point, Mr. Speaker, that I have observed with great disappointment, over many years of service in this Chamber, that there is a well-defined attitude and disposition whenever the needs of the farmer are discussed, whether they are real or fancied, of many of the Members of Congress to throw to the wolves the man in the city in order to serve the farmer. This unwarranted sacrifice in spite of the fact that the consumer element living in the cities constitutes more than 75 percent of our population and, as such, is the best customer of the American farmer; three times better customer of the farmer than the farmer is of the producer in the city. I dare say there are very few districts in the United States where the farm population anywhere near approximates the total living in the cities and towns.

Under the Office of Price Administration, farm produce generally, and cattle, hogs, wheat, cotton, and a score of other commodities brought prices that were substantial and in some instances near record. Run-of-the-range cattle for example, which means mixed grades, young and old, canners and cutters, steers and heifers, good and bad, were sold at the markets at the top grade price of \$17.50 per hundredweight under the OPA when as a matter of fact some of these grass-fed cattle, some of which had missed the roundup for years, were not worth more than \$3 or \$4 a hundred. Some of the animals shipped to market were scarcely fit for human consumption, yet the cattlemen and farmer producers were not satisfied with OPA prices, held back their shipments to the legitimate market, and frequently sold to the black-market operator, and did everything to undermine this important agency of the Government which was created to protect the country against the curse of all-consuming inflation.

We have been without the protection of price controls since the 1st of July. According to a chart issued by the Bureau of Labor Statistics, on display in the Speaker's lobby today, the prewholesale price rise for 3 years of price control, from May 1943 to June 28, 1946, amounted to 13 $\frac{1}{10}$ percent, while 10 days without price control created a jump of an additional 9 $\frac{1}{10}$ percent which some Members dispute, claiming that the rise was at least 2 percent more. This, as above stated, is the prewholesale price rise. What it amounted to in the wholesale classification and then later at the retail level, I am not prepared at this time to state, but

I do know that it is dangerously near to uncontrolled inflation.

I observed in reading the market page on Friday or Saturday last that a previous all-time record for top grade cattle of \$23.25 was shattered and a new high of \$25 per hundredweight was established on the Chicago market. An article appearing in a Washington newspaper indicated that the family Sunday dinner has risen \$1 in cost since the demise of the OPA and I believe the figure is conservative. Meats have risen to the point where the average family will have to forego this important element of the diet unless prices are arrested and are made to recede. I doubt that this can be done without the restoration of an effective OPA, endowed with all the power necessary to roll back and hold the tide of rising prices and inevitable inflation.

Mr. Speaker, unless this Congress acts wisely, affirmatively, and promptly in this matter, I say to you that the American consumer, composed chiefly of residents of the cities, will come here to Washington and stage a demonstration such as has never been seen before. The burning of the Capitol by the British will be like a bonfire compared with the heat generated by the ire of the American housewife who has been aroused by the callous disregard of the Congress of her needs and that of her family. The people of America will not stand for this deliberate and selfish plunge into the realm of inflation in order to please the blind and selfish interests, or any minority of our people seeking to exploit the helplessness and the misery of this Nation. Unless the conferees can bring back a worth-while bill, at least as good as the original OPA, it should be defeated. However, should anything less be attempted, I hope that the President will again unhesitatingly and courageously veto it, placing the blame squarely upon those who are directly responsible for the plight of the Nation.

Let me say in conclusion that the Congress should remain in session until such time as an effective price control act, with power to roll back inflated prices, is enacted into law.

Mr. MURDOCK. Mr. Speaker, I want to announce myself as supporting the resolution which would send the OPA bill to conference. It has been explained by several members of the Rules Committee that this is the logical and ordinary procedure, and I am convinced that it is the wisest course of action. If we vote this resolution up and send the Senate measure to conference, it seems likely that the conferees can work out some compromise measure which is better than any bill passed by House or Senate and which will meet some of the presidential objections announced in the veto of the earlier OPA extension bill.

We must extend price control. Certainly rent controls, but there are other controls on the necessities of life which are, to my mind, as important as rent control. We have had an object lesson of what can happen and what does happen without any price control law. The first half of July has merely confirmed what I all along expected, and that is

that the law of supply and demand cannot operate in the unusual circumstances of the country today where effective demand has been greatly increased by a supply of spending money and the supply of goods has been enormously inadequate to meet even ordinary demands. This condition without price control will crush the great middle class of our people as well as the poorer class if we leave them at the mercy of profiteers. We must not do it.

I know it is contended that the House ought to write a companion bill, but if we attempt to do so on the floor of the House, we will end in confusion and chaos. There will be as much log-rolling and back-scratching in writing a bill of this nature in the House as always accompanied the writing of a tariff bill in the old days, or in the writing of a revenue bill on the floor of the House at any time. I have confidence in the conferees, and they certainly know after weeks of hearings prior to the middle of April, what the economic needs of the country are shown to be in their extensive hearings, and our conferees also know quite accurately what the will of the House is, from votes taken and discussion had on the original extension bill which was passed by the House on April 18. Our conferees are in a position to demand this or give way on that, just as well as if we should attempt on the floor of the House today to write an entirely new OPA bill for the House. Therefore, I hope that this resolution is voted up and the conferees get to work at once, for haste is needed.

Mr. THOM. I shall vote for reference of the OPA extension bill as passed by the Senate to a regular conference committee, in the hope that out of the deliberations we shall receive a more workable bill.

Some of the strains that will come in the price field are now coming to light since the OPA officially died. Not only are food prices to climb, but the manufacturer is finding that his raw materials are readying themselves for a price flight.

In the steel industry, there is a decided shortage of scrap. For the time being, the users are supposed to be paying only the OPA ceiling prices. On reliable authority, I am told, however, that one of the major steel producers has been buying scrap, with the understanding that if the ceiling price remains off, he will pay for all scrap bought from July 1 at any price the seller deems just.

One small manufacturer has written me that if OPA is killed, scrap prices may go up 75 to 100 percent, with corresponding increases in the prices of finished products. The steel demand, he writes, is so urgent that it will not be difficult to add whatever costs are paid for scrap.

This gives a glimpse of how the runaway inflation will come in the manufacturing fields unless there is control.

GI IN JAPAN MAKES PLEA FOR EXTENSION OF PRICE CONTROL IN THE UNITED STATES

Mr. ROWAN. Mr. Speaker, T4g Gerald E. Fisher, a GI stationed in Yokohama, wrote me under date of July 5 making a fervent plea for the extension

of price control in the United States for another year. "GI" Fisher says he has had an opportunity to witness inflation in Japan where prices, according to his letter, have risen 1,200 percent since 1939. Following is the letter from the American advocate of real price control now stationed in Yokohama, Japan:

YOKOHAMA, July 5, 1946.

DEAR SIR: I hope that by the time this letter reaches you something will have been done to restore the power of the OPA. I am alarmed at the rapid increase in prices and fear that a run-away inflation may develop which will end in a depression. The danger was never so great. Here in Japan prices have risen 1,200 percent since 1939. Many people have been forced to sell personal belongings and household furnishings in order to purchase food and clothing. Having witnessed the devastating effect of inflation in Japan I cannot remain complacent about the expiration of the OPA.

Please do your utmost to enact effective OPA legislation for another year.

T4g GERALD E. FISHER,

Headquarters, Eighth Army, AG Section, APO 343, Care of Postmaster, San Francisco.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, the criticism of the rule under consideration by the gentleman from Ohio [Mr. BROWN] with all deference, is without foundation. This rule provides that we do by rule what is ordinarily done by unanimous consent. I quote from the pending rule:

That the conference requested by the Senate on the disagreeing votes of the two Houses on the said bill be, and is hereby, agreed to by the House, and that the Speaker shall immediately appoint conferees, without intervening motion.

I repeat, to emphasize, there is nothing unusual in the language of the pending rule. It simply provides that the House shall do by this rule exactly what the House ordinarily does on legislation by unanimous consent, to wit, agree to the conference asked by the Senate and immediately appoint conferees.

If the gentleman from Ohio opposes the rule, what is his substitute or solution?

The pending bill was largely written on the floor of the Senate. There is no report from the Senate Committee on Banking and Currency. Personally, I favor a number of the provisions of the Senate bill. I oppose others. When the House conferees go to conference they will have the benefit of the bill that was passed by the House some time ago after comprehensive hearings by the House Committee on Banking and Currency, and after adequate debate on the floor of the House. The Senate amended the House bill, and after the House agreed to the amendments, the bill was vetoed by the President. The conferees of both the Senate and the House will have the benefit of the provisions of that bill.

Price control was gradually adopted. We first provided for the control of prices and after a lapse of about 9 months we provided for the control of wages.

The point is that controls were gradually adopted. In my judgment, if we are constructive, those controls will be gradually eliminated. Our neighbor to

the north, Canada, still has controls. Great Britain, depending upon foreign trade, importing more than any other nation, both the largest customer and the greatest competitor of the United States in foreign trade, still maintains controls. Notwithstanding the many mistakes of price control and our experience under the recent administration of Chester Bowles, price control was by and large effective. Consumers were protected. We must profit by the experiences following the First World War. Prices increased. As a result of the inflation following the First World War, in my judgment, we lost many of our foreign markets. We have never regained them. If, as a result of controls, we are unable to sell our products to Canada and Great Britain, the United States will be the loser. Controls were gradually adopted. Sudden elimination would be dangerous.

I extend to say I believe that a mistake was made in undertaking to increase wages without providing for increases in products. It was utterly unsound to require dealers to absorb the increased costs. We must profit by the mistakes. We must not repeat them. There must be no unbridled inflation. Controls should be eliminated, over both commodities and manufactures, when the supply equals the domestic demand. There must be production. We muffed the ball following the war. We had the greatest productive machinery in history; there was ample money; there was sufficient skilled labor; the civilian demands were the greatest in history. We undertook to increase wages without increasing prices.

The continuation of OPA and its gradual elimination must of necessity mean increased prices, but there must be no runaway prices. The House conferees are familiar with the views of the House. The House has expressed itself with respect to decontrols; with respect to reasonable profits, and with respect to the gradual elimination of controls, and the early discontinuance of food subsidies.

We have concluded the British loan. We expect to sell our commodities and our manufactures. We are making loans through the Export-Import Bank to France and other countries. If there is unprecedented increase in the prices of either commodities or manufactures, the loans that we have authorized will be curtailed and will not be productive of international commerce or of peace. We must prevent runaway inflation. We not only have the experience of the inflation following the First World War with the disastrous results not only to farming and to business, but we have the actual experience of the past 20 days to profit by. Unless some controls, including rent control, are retained, inflation will result.

The rule should be adopted. The resolution as passed by the House and the bill as passed by the Senate should go to conference. The House conferees should keep in mind the views and the votes of the House in the conference.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, the sensible thing to do here this morn-

ing is to do the normal thing and send this bill to conference.

We have a very practical question before us. Some people might use the expression that for several weeks we have been shadow-boxing with the subject of price control. It is too dangerous a question to have any such atmosphere about it.

As a practical matter, there are three parties involved in this controversy: There is the Senate, and the House, and the President. When you talk about adopting the Senate amendments, we have been given to understand that if we do that it will go to the President and meet another veto. Now, that is not the practical, that is not the sensible thing for us to do; but if we appoint conferees from the Senate and the House—I do not know whether it is the parliamentary thing, but certainly it is the practical thing to open negotiations with the White House and find out just what sort of bill can be worked out that the President will sign. Let us be sensible about the thing. Just because we are in Congress is no reason why we should not do practical things, and that, to my mind, is the practical thing to do in this instance.

Figures have been floating around here this morning and I want to read some myself. I read from the report of the Bureau of Labor Statistics showing that 28 basic commodities that rose during the war by 13 percent up to the 1st day of July have between the 1st of July and the 14th of July gone to 24 percent; and on 12 foodstuffs, while they were 14 percent higher to the 1st of July, they are now 31 percent up; and on 6 raw materials, while they were 11.9 percent up on the 1st of July, they are 19 percent up now. These are figures from the Bureau of Labor Statistics.

I expressed myself as fearful of what might happen if price control were taken off, at the time we had this bill up providing for a short extension. My fears have been accentuated by what has happened and what we all know has happened. It strikes the poor people. If food prices go up at this rate—they have gone up twice as much in the 2 weeks since price control went off than they did during the 3 years previously—we can see what will happen. We have had the example of 2 weeks' experience. Let us try and do something about the problem so that the people of moderate income who are now being pressed between the upper and the nether millstone have some opportunity to live on a decent basis.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Speaker, the question today is whether we will send this bill to conference or undertake to pass it on the floor of the House. We have seen the folly of undertaking to write bills of this importance on the floor of the House. We have seen in the other body where one producer said: "Decontrol my commodity"; another

said, "Decontrol mine," until finally they decontrolled all foods.

I take the position that to take controls off of all foods is by far worse than no bill at all. Food is the main necessity of life, and if you irritate the people by placing controls on other things that are not essential it simply means that you will have in every community dissatisfaction, and such unfairness will tend to drive all other commodities into the black markets. We will have chaos and trouble and it will be very difficult for anybody to go back to any community in this country and defend such a position.

You have already seen, in the last few days, much higher prices on many commodities, but, through fear of extension of the price-control law which expired recently, many individuals, corporations, and firms did their best to keep commodity prices from rising. My prediction is that if we do not have control, especially on the essentials of life, where the production is far below demand, within 6 weeks from now you will see run-away prices on these commodities and the President forced to call us back, and most of the Members eager to get back, to pass a control law that will prevent inflation on commodities that are out of balance with demand.

Mr. Speaker, whenever tax bills are brought in here for consideration, involving thousands and thousands of items, if we were to have an open rule we would never pass the bills; so the policy for years and years has been to bring in tax bills, which affect all the people, under a closed rule. That principle applies here, because this is a matter that affects all the producers, all the manufacturers, all consumers, and all American citizens. It is absolute folly to undertake to write a bill of this magnitude on the floor of the House.

As long as we have commodities out of balance with demand, we must have some kind of control, at least for a short period. In my opinion, 75 percent of the people in this Chamber agree with me. The other 25 percent do not believe in any price control at all. I have no quarrel with those who do not believe in price control, they are honest in their position, but they are wrong. One thing I admire about them is they fight every inch to carry out their views. I am asking the other 75 percent: Let us get together and fight together and bring in a bill that will be workable. If I am a conferee I want Congress, not officials of OPA, to write the bill. I want a bill that is workable, I want a bill that will control the necessities of life and at the same time will bring on full production. I stated on the floor some time ago, and I repeat now, that I believe all producers, and those engaged in business of all kinds, should have as a base period the peacetime years when we had free economy, and add to that the increased cost of labor and other items. That is sound and I am for it. I have been for that all the time. I can go to any community, large or small, in the United States, and I believe I can convince 99 percent of the people that this is fair and that it is right.

In order to have a bill that we can enforce we must have public sentiment with us. If we have such a bill the black markets will disappear, because the people in the communities will say, "That is fair, that is right; you have offered the same profits made in peace years when there was no inflation and we are going to see that it is lived up to, and we will report any violators of the law."

I know this common-sense plan will work because it will curb inflation and increase production, and will prevent black markets. The thing we want is a reasonable bill, so that the people, especially those with lower salaries can live and those engaged in business can make reasonable profits or at least make expenses. We did not pass the control law with the hope of preventing inflation altogether but expected the law to curb inflation. I hope we can secure a bill that will curb inflation and at the same time will bring on full production of everything.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. PHILLIPS and Mr. SHORT) there were—ayes 211, noes 64.

So the previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, BARRY, WOLCOTT, CRAWFORD, and GAMBLE.

ASSISTANCE TO STATES IN MATTERS RELATING TO SOCIAL PROTECTION

The SPEAKER. The unfinished business before the House is the recommendation of the Committee of the Whole House on the State of the Union that the enacting clause be stricken from the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The question is, Shall the enacting clause be stricken out?

The question was taken; and on a division (demanded by Mr. WALTER) there were—ayes 151, noes 108.

Mr. WALTER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the enacting clause was stricken out.

A motion to reconsider was laid on the table.

PRICE CONTROL BILL

Mr. SMITH of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SMITH of Ohio. It is my understanding that the gentleman from Michigan [Mr. CRAWFORD] is not in Washington, that he is out of the country on official business. I wonder whether some other member of the Committee on Bank-

ing and Currency will be appointed in his place as a conferee on the price control bill.

The SPEAKER. The Chair has no information about the gentleman from Michigan [Mr. CRAWFORD].

FUNERAL AND BURIAL OF DECEASED VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 706) to amend Veterans' Regulation numbered 9 (a), as amended, so as to increase the limit of amounts payable thereunder in connection with the funeral and burial of deceased veterans.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. RANKIN. This bill is identical with the bill H. R. 571, which we passed today.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That Veterans Regulation Numbered 9 (a), as amended, is amended by striking out the amount "\$100" wherever such amount appears in paragraphs II and III thereof, and inserting in lieu thereof the amount "\$150."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, the proceedings by which the bill H. R. 571 was passed were vacated, and that bill was laid on the table.

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. SABATH. Mr. Speaker, I call up House Resolution 708 and ask for its immediate consideration.

Mr. THOMAS of New Jersey. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and seventeen Members are present, a quorum.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the act (S. 1717) for the development and control of atomic energy. That after general debate, which shall be confined to the act and shall continue not to exceed 4 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Military Affairs, the act shall be read for amendment under the five-minute rule. At the conclusion of the reading of the act for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the act and amendments there-to to final passage without intervening motion except one motion to recommit.

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 23, 1946
For actions of July 22, 1946
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HIGHLIGHTS: House received conference report on price-control measure; to come up today on floor. Sen. Wherry discussed meat price and supply situation. Rep. Murray discussed general farm situation.

HOUSE

1. PRICE CONTROL. Received the conference report on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts (pp. 9777-87).

As reported from conference, the measure provides as follows: Continues these Acts until June 30, 1947, in modified form. Requires the President to recommend, by Jan. 15, 1947, any necessary legislation to establish policies to supplement price control. Requires the President, by Apr. 1, 1947, to report to Congress any price controls which will be necessary after June 30, 1947. Requires the Price Administrator, by Dec. 31, 1946, to decontrol non-agricultural commodities not important to business or living costs, and to provide for prompt removal of controls when supply and demand are balanced. Requires the Secretary of Agriculture, on the first day of the first month beginning over 30 days after enactment, to certify each agricultural commodity in short supply, and to continue certifications thereafter; and provides that no ceiling shall be applicable to such commodities after that date unless so certified. Requires the Secretary, by Dec. 31, 1946, to recommend removal of ceilings on all agricultural commodities not important to business or living costs, and requires the Price Administrator to carry out these recommendations. If an agricultural commodity later is in short supply, permits the Secretary to provide for re-control with consent of the Price Decontrol Board. Provides that the Secretary shall not be under control of any appointive official or agency. Prohibits ceilings on agricultural commodities unless they were in existence before Apr. 1, 1946. Prohibits ceilings on poultry or eggs or their food or feed products, or tobacco or its products, except that after Aug. 20, ceilings may be reestablished with approval of the Price Decontrol Board. Prohibits ceilings on livestock, milk, or their food or feed products, cottonseed or soybeans or their food or feed products, grains under the Grain Standards Act or their feed products, prior to Aug. 21, 1946; requires the Board to hold hearings on whether these products shall be regulated and to decide the matter under certain conditions. Authorizes

the Board to decide whether subsidies shall be continued. Requires that ceilings on these commodities shall return to handlers raw-material cost, conversion of distribution cost, and a reasonable profit. Provides for petitions to the Secretary by industry committees regarding agricultural commodities, requires prompt consideration of such petitions, and permits appeals to the Board. Permits subsidies during the fiscal year 1947 for noncrop programs, 1946 crop program operations and 1947 crop program operations relating to sugar, flour, etc., \$869,000,000, with provisions for gradual reductions. Continues rent control. Provides that this bill shall not limit the Veterans' Emergency Housing Act. Includes sea food and its products as agricultural commodities. Provides that, in the case of softwood logs and lumber, ceilings shall permit producers of at least 90% of production to recover costs. Limits establishment of fabrics ceilings. Requires ceilings to return to an industry 1940 profits. Authorizes the Secretary to allocate feed to shortage areas. Permits wheat producers a choice as to the date on which prices are determined in connection with forced sales.

Majority leader McCormack announced that this measure will be considered on the floor today (7-23-47).

2. SURPLUS PROPERTY. Agreed to a resolution giving the Select Committee to Investigate the Disposition of Surplus Property, an additional \$15,000 (p. 9788).
3. MINERALS. Reps. Peterson (Fla.), White, Fernandez, LeCompte, and Barrett (Wyo.) were appointed conferees on S. 1236, to promote the development of oil and gas on the public domain and on lands acquired for the Appalachian National Forest (p. 9790). Senate conferees were appointed July 19.
4. RESEARCH; ATOMIC ENERGY. Both Houses appointed conferees on S. 1717, the atomic-energy bill (pp. 9737-9, 9802).
5. HOUSING. Reps. Miller (Nebr.) and Knutson (Minn.) objected to Rep. S. Sance's (Ky.) request that the Banking and Currency Committee by unanimous consent be permitted to sit during the general debate while the House is in session for the remainder of the session, for the purpose of considering S. 1592, the Wagner-Blair-Taft housing bill (pp. 9822).
6. PERSONNEL; RETIREMENT. Received the conference report on H.R. 4718, to amend the Civil Service Retirement Act to provide annuities for certain employees who have rendered at least 25 years of service (p. 9822-3). The substitute bill reported by the conferees provides optional retirement at a reduced annuity for any employee who attains the age of 55 with 25 years of service if he has been involuntarily separated from the service (not by removal for cause on charges of misconduct).
7. RESEARCH. Rep. Mills, Ark., announced that he is in accord with the decision of the Interstate and Foreign Commerce Committee not to consider H.R. 6448 and S. 1850, bills to create a National Science Foundation, before the adjournment or recess of Congress (p. 9788).
8. CONGRESSIONAL REORGANIZATION. The revision of S. 2177 which Rep. Monroney plans to submit to the House (see Digest 142) includes the following amendments to the Senate revision: Changes the receipts-expenditures section so as to provide that, by Mar. 1 each year, the revenue and appropriations committees shall make an over-all estimate of receipts and expenditures, including a reserve for deficiencies, and shall report a concurrent resolution (1) to provide for reduction of the public debt if receipts are estimated to exceed expenditures or (2) to express it as the sense of Congress that the public debt be increased by the

of the two Houses on the amendments of the Senate to the bill (H. R. 3543) for the relief of Elmer D. Thompson and the legal guardian of James Thompson, of Gurley, Ala., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, sustained by the said James Thompson, as a result of being struck by a United States Army vehicle on February 2, 1944, on United States Highway No. 17, in front of Crofts Grocery Store, in Windermire, Charleston, S. C., submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The bill as passed the House appropriated the sum of \$1,118.75 to the legal guardian of James Thompson. The Senate amended the bill striking out certain sections and inadvertently left in the bill the sum of \$118.75 which should have been deleted. At the conference the bill as passed the House as to the amount was agreed upon.

J. M. COMBS,

W. A. PITTINGER,

Managers on the Part of the House.

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 3543) for the relief of the legal guardian of James Thompson, a minor.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

[Mr. JENNINGS addressed the House. His remarks will appear hereafter in the Appendix.]

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EMERGENCY PRICE CONTROL ACT, 1942

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report and statement on House Joint Resolution 371 extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out 'June 30, 1946' and substituting 'June 30, 1947'.

"SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out 'June 30, 1946' and substituting 'June 30, 1947'.

"SEC. 3. Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section as follows:

"PURPOSES AND POLICIES IN THE TRANSITION PERIOD

"SEC. 1A. (a) OBJECTIVES.—The Congress hereby affirms—

"(1) that because of abnormally excess spending power in relation to the presently available supply of commodities, rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living and costs of production (including labor costs), for the purposes set forth in section 1 of this Act and for the further purposes of protecting the real value of benefits provided by law for veterans and their dependents, of keeping faith with purchasers of United States War Bonds, and of making possible a successful transition to a peacetime economy of maximum employment, production, and purchasing power under a system of free enterprise;

"(2) that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to such a peacetime economy and would tend to repress and prevent the attainment of this and the other goods herein declared; and

"(3) that adequate prices are necessary stimulants to the production thus desired and the expeditious attainment of said goals.

"(b) Declaration of decontrol policy: Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this Act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

"(c) Recommendations by the President to the Congress: (1) As soon as practicable after the enactment of this section and in any event on or before January 15, 1947, the President shall recommend to the Congress such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter.

"(2) On or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this Act as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government (other than the Office of Price Administration) which should be charged with the administration of such powers.

"(d) Decontrol of nonagricultural commodities: (1) On or before December 31, 1946, the Administrator shall decontrol all nonagricultural commodities not important in relation to business costs or living costs,

and prior to that date shall proceed with such decontrol as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. In no event shall maximum prices be maintained after December 31, 1946, for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

"(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements).

"(3) Whenever, after a reasonable test period, it appears that the supply of a nonagricultural commodity which has been decontrolled is no longer consistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this Act. The supply of a nonagricultural commodity shall be deemed inconsistent with the applicable decontrol standard in any case where the prices of the commodity have risen to and after a reasonable test period remain at unreasonable and inflationary levels.

"(4) Nothing contained in this Act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum or petroleum products processed or manufactured in whole or substantial part from petroleum, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (d), but only under the standards prescribed in paragraph (8) (C) of subsection (e).

"(e) AGRICULTURAL COMMODITIES.—(1) On the first day of the first calendar month which begins more than thirty days after the date of enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which such Secretary determines to be in short supply. Thereafter, on the first day of each succeeding calendar month the Secretary shall certify modifications of such certification by adding other agricultural commodities which have become in short supply and by removing from such certification such commodities which he determines are no longer in short supply. No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than thirty days after the date of enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

"(2) (A) Whenever the Secretary of Agriculture determines that maximum prices applicable to any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity.

"(B) The Secretary of Agriculture by December 31, 1946, shall recommend to the Price Administrator the removal of maximum prices on all agricultural commodities, whether or not in short supply, not important in relation to business costs or living costs, and prior to that date shall make such recommendations as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect.

"(C) Within ten days after the receipt of any recommendation under this subsection for the adjustment of maximum prices applicable to any agricultural commodity, or for the removal of maximum prices on agricultural commodities not important in relation to business costs or living costs, the Price Administrator shall adjust or remove such maximum prices in accordance with such recommendations.

"(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this Act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this Act.

"(4) For the purposes of this section (except subparagraph (6) of this subsection (d))—

"(A) an agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season;

"(B) the term "agricultural commodity" shall be deemed to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity; and

"(C) the term "subsidy" means any subsidy or purchase and sale operations described in the last paragraph of section 2 (e) of this Act.

"(5) Notwithstanding any other provision of this or any other law, except as provided in subsection (h), the Secretary of Agriculture, in exercising his functions under this Act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, and no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. The Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under this Act, and upon the withdrawal of his approval such action shall be rescinded.

"(6) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this Act prior to April 1, 1946.

"(7) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable with respect to poultry or eggs or food or feed products processed or manufactured in whole or substantial part therefrom, or in the case of leaf tobacco or tobacco products processed or manufactured in whole or substantial part therefrom, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (e), but only under the standards prescribed in paragraph (8) (C) of this subsection (e).

"(8) (A) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable prior to August 21, 1946, with respect to livestock, milk, or food or feed products processed or manufactured in whole or substantial part from livestock or milk; with respect to cottonseed or soybeans, or food or feed products processed or manu-

factured in whole or substantial part from cottonseed or soybeans; with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

"(B) The Price Decontrol Board shall proceed forthwith to consider whether the commodities listed in subparagraph (A) shall continue, after August 20, 1946, to be free from regulation under this Act and the Stabilization Act of 1942, as amended. Such Board, after due notice of a public hearing and full opportunity for representatives of affected industries and consumers to present their views orally or in writing, shall have power to determine whether or not any commodity listed in subparagraph (A) shall be regulated after August 20, 1946, under this Act and the Stabilization Act of 1942, as amended. Such Board shall direct that any such commodity shall not be so regulated unless it finds:

"(i) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 23, 1946, and

"(ii) that such commodity is in short supply and that its regulation is practicable and enforceable, and

"(iii) that the public interest will be served by such regulation.

"If in the case of any commodity listed in subparagraph (A) such Board fails to direct, on or before August 20, 1946, that such commodity shall not be regulated under this Act and the Stabilization Act of 1942, as amended, maximum prices and regulations and orders under such Acts shall be applicable with respect to such commodity without regard to this paragraph (8).

"(C) If in the case of any commodity listed in subparagraph (A) such Board, on or before August 20, 1946, does direct that such commodity shall not be regulated under such Acts, the Board may at any subsequent time direct that such commodity shall be so regulated if it finds:

"(i) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946; and

"(ii) that such commodity is in short supply and that its regulation is practicable and enforceable; and

"(iii) that the public interest will be served by such regulation.

Thereafter, the provisions of such Acts and regulations and orders thereunder shall be applicable with respect to such commodity without regard to this paragraph (8).

"(D) In the case of milk, the Board may consider and determine decontrol or recontrol on a regional basis.

"(9) The Price Decontrol Board shall also have power to determine, when maximum prices are in effect with respect to any commodity listed in paragraph (8) (A), whether any subsidy or any part thereof in effect prior to June 30, 1946, shall be reestablished in whole or in part; and the powers of the Administrator, the Commodity Credit Corporation, and the Reconstruction Finance Corporation to pay subsidies in connection with such commodity shall be limited in accordance with any order of the Board.

"(10) Whenever maximum prices are in effect for any commodity processed or manufactured in whole or substantial part from any commodity listed in paragraph (8) (A) with respect to which maximum prices are not in effect, no maximum price, and no margin, mark-up, or discount, shall be maintained with respect to such processed or manufactured commodity which does not return to the processors, manufacturers, and distributors thereof (A) the raw material

cost (which must be computed at least once every 60 days at not less than the current cost), (B) the conversion or distribution cost, and (C) a reasonable profit.

"(f) SAVING PROVISION.—Nothing in this section shall limit the Administrator's authority to remove maximum prices for any nonagricultural commodity, or any agricultural commodity with the approval of the Secretary of Agriculture, at an earlier time than would be required by this section, if in his judgment or in the judgment of the Secretary of Agriculture, as the case may be, such action would be consistent with the purposes of this section.

"(g) PETITIONS FOR DECONTROL.—(1) If in the judgment of the industry advisory committee appointed by the Administrator in accordance with section 2 (a) of this Act to advise and consult with respect to a commodity, the standards set forth in this section require the removal of maximum prices for such commodity, it may file a petition for the removal of such maximum prices. In the case of any nonagricultural commodity, such petition shall be filed with the Administrator in accordance with regulations prescribed by him. In the case of agricultural commodities, such petition shall be filed with the Secretary of Agriculture in accordance with regulations prescribed by him and shall request that he make an appropriate certification or recommendation to the Price Administrator. The petition shall specifically state the grounds upon which the committee believes such action to be required and shall be accompanied by affidavits or other written evidence in support thereof.

"(2) Within fifteen days after receiving a petition filed in accordance with the provisions of this subsection, the Administrator or the Secretary of Agriculture, as the case may be, shall either grant the petition or inform the committee in writing why in his judgment the standards for decontrol stated in subsections (d) and (e) have not been satisfied with respect to the commodity involved. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, shall, within ten days after the receipt of a request by the committee for further consideration of its petition, hold a hearing before himself or before a deputy administrator (or, in the case of the Secretary, before such officer as he may designate) at which the committee may present its argument in support of the petition. The Consumers Advisory Committee and the Labor Advisory Committee appointed by the Administrator shall be given notice of any such hearing and an opportunity to present their views with respect to the petition and may, not later than five days prior to such hearing, present in writing evidence relating thereto. Within fifteen days after such hearing, the Administrator or the Secretary, as the case may be, shall either grant the petition in full or furnish the industry advisory committee with a statement in writing of his reasons for denying it in whole or in part together with a statement of any economic data or other facts of which he has taken official notice in connection with such denial.

"(3) At any time within thirty days after the denial in whole or in part, following a hearing, of a petition filed under this subsection, the petitioning industry advisory committee may petition the Price Decontrol Board established under subsection (h) for a review of the action of the Administrator or the Secretary of Agriculture. If the Administrator or the Secretary, as the case may be, fails to act upon a petition within the time prescribed by paragraph (2), the industry advisory committee may, at any time within thirty days after the expiration of the time so prescribed, petition the Price Decontrol Board for the removal of maximum prices on the commodity involved.

"(4) Nothing in this section shall be construed to take away or impair any right of any person to protest, in accordance with the provisions of sections 203 and 204 of this Act, the further maintenance of maximum prices for a commodity under the standards of subsection (d) or (e): *Provided*, That the filing of such a protest or of a petition under paragraph 3 of this subsection shall not be grounds for staying any proceeding brought pursuant to section 205 of this Act or section 37 of the Criminal Code, and no retroactive effect shall be given to any judgment setting aside a provision of a regulation, order, or price schedule under the standards set forth in this section.

"(h) PRICE DECONTROL BOARD.—(1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall constitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of \$12,000 a year.

"(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board.

"(3) A petition made under subsection (g) (3) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's or Secretary's reasons for believing that maximum prices on the commodity involved should not be removed together with a statement of any economic data or other facts of which he has taken official notice. At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary, as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence, the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing on any petition, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated

in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board. Orders of the Board shall not be subject to modification or review by any other department or agency or by any court.

"(4) No petition may be filed with the Board with respect to any commodity within a period of three months after the issuance of an order of the Board with respect to the same commodity.

"(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which is within the jurisdiction of the Board.

"(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it deems proper upon the record or may conduct a new hearing upon the petition before the Board.

"SEC. 4. Section 2 (a) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new sentence: 'In administering the provisions of this subsection relating to the establishment of industry advisory committees, the Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region.'

"SEC. 5. Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in the investment, operation, expenses, and mechanical details of operation between the transient hotels and the residential and apartment hotels, and is directed to classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourists' courts, rooming houses, and boarding houses.

"While maximum rents are in effect under this Act with respect to housing accommodations in any defense-rental area, such housing accommodations shall not be subject to rent control by any State or local government."

"SEC. 6. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations for the fiscal year ending June 30, 1947, of the Commodity Credit Corporation and the Reconstruction Finance

Corporation: *Provided*, That with respect to such corporations and such operations, the making of subsidy payments and buying for resale at a loss shall be limited as follows:

"Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses, as follows:

"(1) With respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, \$31,000,000.

"(2) With respect to copper, lead, and zinc, in the form of premium price payments, \$100,000,000: *Provided*, That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and (i) adjustments shall be made to encourage exploration and development work, (ii) adequate allowances shall be made for depreciation and depletion, and (iii) all classes of premiums shall be non-cancelable unless necessary in order to make individual adjustments of income to specific mines.

"(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

"(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, \$869,000,000: *Provided*, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than \$629,000,000 during the last six months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period occurring after the date of the enactment of this Act during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended: *Provided*, That subsidies with respect to petroleum produced from stripper wells shall be continued at not to exceed the existing rates. No subsidy or purchase and sale operation shall be undertaken under authority of this subparagraph (4) with respect to any commodity unless a subsidy or purchase and sale operation with respect to such commodity was in effect on June 29, 1946; and no such operation shall be undertaken under authority of this subparagraph (4) which will increase the rate of subsidy paid or the rate of loss incurred with respect to any commodity above that which would be paid or incurred if the operations in effect on June 29, 1946, had been continued on the same basis.

"(b) When any direct or indirect subsidy to an industry is reduced or terminated, or upon reconrol is not restored or is restored only in part, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies, differential subsidies to high-cost producers, and premium payments under authority of the Veterans' Emergency Housing Act of 1946.

"(c) Where roll-back subsidies have previously been or presently are in effect, and have been discontinued, or shall hereafter be discontinued, the industries which have received such subsidies shall be permitted to increase their ceiling prices at least an amount equivalent to the amount of the discontinued roll-back subsidy. Such price increase shall become effective either upon discontinuance of the roll-back subsidy or upon passage of this Act, whichever date is

the later. For the purposes of this paragraph, the term 'roll-back subsidies' means subsidy payments, or purchases and sales of a commodity at a loss by the Government of the United States (including any Government-owned or controlled corporation), or contracts therefor, which resulted directly or indirectly in the lowering of ceiling prices below the maximum price levels established by the Office of Price Administration prior to the institution of the subsidy payments or purchases and sales at a loss, or the execution of the contracts therefor, whichever date is the earlier.

"(d) Nothing in this section shall be construed to affect the provisions of Public Laws 30, 88, 164, and 328 of the Seventy-ninth Congress, or to prevent the use of the sums authorized in such laws to fulfill obligations incurred prior to July 1, 1946, with respect to operations prior to such date.

"(e) Notwithstanding any of the foregoing provisions of this section 6, 1946 and 1947 crop program operations with respect to sugar, may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. For the purpose of this section 6, no subsidy program operation on sugar shall be considered to be a new subsidy: *Provided*, That Commodity Credit Corporation or any other Government agency shall not absorb any increase in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946.

"(f) Nothing in this section shall be construed as a limitation upon operations authorized by the Veterans' Emergency Housing Act of 1946; and nothing in this act or in any other act shall prohibit the establishment of maximum sales prices or maximum rents for housing accommodations for which materials or facilities are allocated, or priorities for delivery thereof issued, under said Veterans' Emergency Housing Act of 1946.

"SEC. 7. Section 2 (i) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(i) For the purposes of this act and the Stabilization Act of 1942, as amended, fish and other sea food shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: *Provided*, That the provisions of section 3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or substantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942."

"SEC. 8. Section 2 (j) of the Emergency Price Control Act of 1942, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: 'or (5) as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to the buyer.'

"SEC. 9. Section 2 (k) of the Emergency Price Control Act of 1942, as amended, is amended by inserting the words 'or any operator of any service establishment after the words 'seller of goods at retail.'

"SEC. 10. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections:

"(o) No maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity to which no maximum price is applicable with respect to sales to restaurants and other eating establishments, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined, under the applicable maximum price regulation or order, by the addition of a customary margin to the acquisition cost of such item.

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established peacetime retail trade discounts or mark-ups or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of six months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit sales of such commodity for a period of six months shall have reached the average annual wholesale unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(s) No maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity (treating as a single commodity for the purposes of this paragraph all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed by the Office of Price Administration under a single regulation) if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales incomes of a majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such distributive trade were less than 100 per centum of the deliveries thereof in the corresponding quarter of 1945.

"(t) In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow the average current cost of acquisition of any commodity, plus such average percentage discount or markup as was in effect on March 31, 1946.

"(u) After the date upon which this subsection takes effect, no maximum price shall be established or maintained, under this Act or under any other provision of law, with

respect to any new commodity when the Administrator upon application finds that its use, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured or processed. As used in this subsection the term "new commodity" means a commodity which was not commercially or industrially available prior to January 30, 1942.

"(v) In the case of softwood logs and lumber, the maximum prices shall be established at a level which will permit producers of at least 90 per centum of the production of softwood logs and lumber to recover their current costs of production.

"(w) In establishing maximum prices for sales of finished woven or knitted fabrics made primarily of cotton fiber or for the sales of apparel made therefrom it shall be unlawful for the Administrator to establish or maintain differentials in the method of determining the basic grey-goods cost or the finished-woven-fabrics or finished-knitted-fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

"(x) Whenever the world price of a commodity essential to the economy of the United States (average price at which such commodity could be purchased when landed duty paid at any United States port of entry) exceeds the maximum purchase price established by the Administrator, and results in—

"(e) an actual reduction of the importation of such commodity into the United States in an amount substantial in relation to the total consumption of the commodity in the United States; or

"(2) the substantial curtailment or restriction of the domestic trade in such commodity or products processed directly therefrom,

the Administrator shall, in order to maintain and increase domestic production and employment and to make possible the balancing of supply and demand, promptly remove maximum purchase prices from imports of such commodity and maximum prices from products processed directly therefrom, or increase the maximum prices of imports of such commodity and of products processed directly therefrom to the extent necessary to prevent such reduction in importation or curtailment of domestic trade."

"SEC. 11. The Emergency Price Control Act of 1942, as amended, is amended by inserting after section 5 thereof the following new section:

"SEC. 6. (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

"(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry (including any industry furnishing service or transportation the charges for which are subject to the Administrator's control) which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

"(c) For the purpose of determining costs under this section, currently or for the base

period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including adjustments for temporary cost abnormalities which may be reasonably anticipated to be eliminated within the three months following the Administrator's determination, and adjustments for increases in the volume of production which may be reasonably anticipated to be experienced within such three-month period.

"(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

"(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this Act.

"(f) If the maximum prices of a product on the average equal its average current total cost plus a reasonable profit, nothing herein shall require any further adjustment of such maximum prices for any period with respect to which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

"(g) As used in this section, "product" shall mean any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or article shall be considered as one product.

"(h) The provisions of this section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

"(i) Nothing in this section shall be construed to require any adjustment in maximum prices except pursuant to an application filed under this paragraph, or be construed to invalidate any maximum price unless there is a failure to make adjustments, in accordance with the procedure prescribed in this paragraph, to such extent as may be required to comply with the standards set forth in this section. Any industry advisory committee may apply to the Administrator for the adjustment of the maximum prices applicable to any product in accordance with the standards set forth in this section, and shall present with the application comprehensive evidence with respect to costs and prices. The Administrator shall consider the evidence so presented and all evidence otherwise available to him and, within 60 days after the receipt of such application, he shall make the adjustments in maximum prices required by this section, or, if he finds that no such adjustments are required, he shall deny the application. If the Administrator neither makes the adjustments in the maximum prices for any product required by this section, nor denies the application for such adjustments, within the 60-day period prescribed in this paragraph, the industry advisory committee concerned may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to make such adjustments or deny such application within such time, not to exceed 30 days, as may be fixed by the court. If the Administrator fails to make such adjustments or deny such application within the time so fixed, no maximum price shall thereafter be applicable with respect to any sale of such product by any seller."

"Sec. 12. (a) The second sentence of section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended to read

as follows: 'In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than \$25 nor more than \$50, as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation.'

"(b) Section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"The Administrator may not institute any action under this subsection on behalf of the United States, or, if such action has been instituted, the Administrator shall withdraw the same—

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration; or

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, or to any public housing authority whose operations are supervised or financed in whole or in part by any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"The Administrator shall not institute or maintain any enforcement action under this subsection against any manufacturer of apparel items where the Administrator shall determine (1) that the transactions on which such proceeding is based consisted of the manufacturer's selling such an item at his published March 1942 price list prices instead of his March 1942 delivered prices, and (2) that the seller's customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices. The Administrator's determinations under this paragraph shall be subject to review by the Emergency Court of Appeals in accordance with sections 203 and 204."

"Sec. 13. The third sentence of paragraph (2) of section 205 (f) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: 'If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no suspension shall be for a period of more than twelve months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed.'

"Sec. 14. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products

made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive.)"

"Sec. 15. The Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is hereby authorized to allocate feed which he controls to feeders of livestock and poultry in domestic areas which he may determine to be in an emergency shortage condition with respect to animal and poultry feed.

"Sec. 16. (a) In the event producers of wheat are required by an order issued pursuant to the Second War Powers Act, 1942, as amended, to sell all or any part of wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat so required to be sold at a price determined as follows: The purchase price paid for the wheat shall be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947, inclusive: *Provided, however,* That only one election may be made for each lot of wheat: *And provided further,* That the producer may not elect a date prior to the date on which he mails a written notice to Commodity Credit Corporation of his election. In the event the producer does not notify Commodity Credit Corporation in writing by March 31, 1947, of his election of a date for determining the market price, such date shall be deemed to be March 31, 1947.

"(b) Any producer of wheat who, prior to the date of enactment of this Act, has sold any wheat pursuant to the requirements of paragraph (ee) (1) of War Food Order Numbered 144, may, at any time within thirty days after the date of enactment of this Act, pay to the Commodity Credit Corporation a sum equal to the amount for which he sold such wheat. Any producer paying any such sum to the Commodity Credit Corporation shall be deemed to have sold and delivered to the Commodity Credit Corporation as of the date he pays such sum a quantity of wheat equal in grade and quality to the quantity sold by him pursuant to such requirements and the purchase price to be paid to him for such wheat shall be determined in the same manner as in the case of a sale of wheat to the Commodity Credit Corporation pursuant to the provisions of subsection (a) of this section.

"Sec. 17. This Act may be cited as the 'Price Control Extension Act of 1946.'

"Sec. 18. (1) The provisions of this Act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended (except regulations or requirements under section 2 (e) thereof relating to meat, flour, or coffee), and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this Act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this Act had been enacted on

June 30, 1946: *Provided*, That in any case in which the Emergency Price Control Act of 1942, as amended (except sections 204 and 205), or the Stabilization Act of 1942, as amended (except sections 8 and 9), or any regulation, order, or requirement under either of such Acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946 to the date of enactment of this Act, both inclusive: *Provided further*, That no act or transaction, or omission or failure to act, occurring subsequent to June 30, 1946, and prior to the date of enactment of this Act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such Acts: *Provided further*, That insofar as the provisions of this Act require the Administrator to make any change in any maximum price, such provisions shall not be deemed to require such change to be made before the thirtieth day following the date of enactment of this Act."

And the Senate agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
WILLIAM B. BARRY,
RALPH A. GAMBLE,

Managers on the Part of the House.

ROBERT F. WAGNER,
ALEEN W. BARKLEY,
GEORGE L. RADCLIFFE,
SHERIDAN DOWNEY,
CHAS. W. TOBEY,
ROBERT A. TAFT,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

THE JOINT RESOLUTION PASSED BY THE HOUSE

The joint resolution as passed by the House contained only four sections, and its purpose was to provide retroactively for a brief extension of the Price Control Act and the Stabilization Act, without other change, in order to give time for Congress to work out further legislation on the subject.

Sections 1 and 2 provided for continuing the Price Control Act and the Stabilization Act until July 20, 1946.

Section 3 provided for authority in the Commodity Credit Corporation and the Reconstruction Finance Corporation to continue subsidy and purchase and sale operations until July 20, 1946, subject to the limitation that no new operations should be undertaken, and subject to the further limitation that no change should be made in the basis of operations existing on June 29, 1946, which would increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

Section 4 provided that the joint resolution should take effect as of June 30, 1946, the purpose being to insure that the provisions of the two acts and the regulations, orders, and other actions issued or taken thereunder should be considered as not having ceased to be in effect on June 30, 1946; but the section contained an exception to insure that no person would be subject to any suit, action, or prosecution on account of offenses

committed subsequent to June 30, 1946, and prior to the date of the enactment of the joint resolution.

THE SENATE AMENDMENT

The Senate amendment is a substitute for all after the resolving clause of the joint resolution passed by the House.

The Senate amendment differs from the joint resolution as passed by the House in that, instead of providing for a temporary extension with a view to working out further legislation, it proposes extension until June 30, 1947, and proposes numerous substantive changes to govern the operation of price controls during the period of extension. Since the substitute agreed to in conference follows the pattern of the Senate amendment, with exceptions, hereinafter explained, the provisions of the Senate amendment are outlined in detail below:

Sections 1, 2, and 16—extension of Price Control Act and Stabilization Act

Sections 1 and 2 of the Senate amendment amend the Price Control Act and the Stabilization Act so as to continue such acts in effect until June 30, 1947. By section 18 these amendments, as well as the other amendments proposed, are made effective as of June 30, 1946, so as to insure that the provisions of these acts will not be considered to have ceased to be in effect on June 30, 1946, and it is provided in section 18 that all regulations, orders, price schedules, and requirements under the Price Control Act and the Stabilization Act which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this legislation had been enacted on June 30, 1946; but a saving provision is included that no act or transaction occurring after June 30, 1946, and prior to the date of enactment of this legislation shall be deemed to be a violation of the Price Control Act or the Stabilization Act, or of any regulation, order, price schedule, or requirement under either of such acts. A provision is also included in section 18 to preserve the status of proceedings, petitions, applications, and protests which were pending on June 30, 1946, but providing, in appropriate cases, that where any period of time was prescribed within which any act was required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period shall be extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this legislation.

Section 3—Decontrol of commodities; price adjustments and administration in case of agricultural commodities

The Senate amendment (by sec. 3) proposes to add after section 1 of the Price Control Act a new section 1A containing declarations of congressional policy regarding termination of price controls and related controls, and prescribing particular standards or requirements with respect to termination of price controls. In addition to its decontrol provisions, it relates to price adjustments and price administration in the case of agricultural commodities. The proposed new section 1A is explained below.

Objectives: Subsection (a) of this new section states that the rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living, and costs of production; that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to a healthy peacetime economy and would tend to repress and prevent the attainment of the goals stated in the act; and that adequate prices are necessary stimulants to the desired production and the expeditious attainment of said goals.

Declaration of decontrol policy: Subsection (b) of the new section declares the policy of Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and demand in the case of commodities under their control, and that the general control of prices and the use of subsidy powers shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and that on that date the Office of Price Administration shall be abolished.

Recommendations by the President: Subsection (c) of the new section provides, in paragraph (1) thereof, that the President shall recommend to the Congress as soon as practicable and in any event on or before January 15, 1947, such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by June 30, 1947, without danger of inflation thereafter. Paragraph (2) of this subsection provides that on or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of price control or rent control as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government which should be charged with the administration of such control.

Decontrol in case of nonagricultural commodities: Subsection (d) of the new section 1A relates to the decontrol of nonagricultural commodities. First, paragraph (1) of this subsection provides for the removal of maximum prices on nonagricultural commodities not important in relation to business costs or living costs. The Price Administrator is directed to proceed with the decontrol of these commodities as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. Maximum prices on all such commodities are to be removed on or before December 31, 1946, and after that date no maximum price may be maintained for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

Paragraph (2) of subsection (d) states a general rule for the removal of maximum prices in the case of nonagricultural commodities, whether or not such commodities are important in relation to business costs or living costs. This rule is that maximum prices shall be promptly removed whenever the supply of a commodity exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements). Under this subsection, it is the duty of the Administrator to remove maximum prices upon his own initiative when the applicable decontrol standards are satisfied; however, provision is made in the later parts of this section for industry advisory committees to petition the Administrator for decontrol when such committees believe that the applicable decontrol standards have been satisfied and, in case of adverse action by the Administrator upon such a petition, further provision is made for an appeal to an independent Price Decontrol Board which may order the Administrator to remove maximum prices.

Paragraph (3) of subsection (d) provides that the Price Administrator, with the advance consent in writing of the Price Decontrol Board, may reestablish maximum prices

for a nonagricultural commodity which has been decontrolled, if the supply of such commodity is no longer consistent with the applicable decontrol standard.

Paragraph (4) of subsection (d) prohibits the imposition or maintenance of price controls with respect to petroleum or petroleum products processed or manufactured in whole or substantial part from petroleum unless the Price Decontrol Board first determines and certifies in writing to the Administrator that the supply of crude petroleum, or the particular product on which controls are to be imposed or maintained, is insufficient to meet the domestic demand therefor.

Decontrol and other requirements in case of agricultural commodities: Subsection (e) of the proposed new section 1A contains provisions relating to the removal of maximum prices on agricultural commodities, the adjustment of such maximum prices, and other provisions relating to the administration of maximum prices on agricultural commodities.

Paragraph (1) of this subsection provides that the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which the Secretary determines to be in short supply. An agricultural commodity will be in short supply for the purposes of this section, unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season. No maximum price may be applicable to any agricultural commodity during any calendar month which begins more than 30 days after the enactment of this section, unless such commodity is certified by the Secretary of Agriculture as being in short supply.

Paragraph (2) of subsection (e) provides that whenever the Secretary of Agriculture determines that maximum prices on any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity; and the Price Administrator is required to adjust such maximum prices in accordance with such recommendations. This paragraph (2) also contains a provision relating to the decontrol of agricultural commodities not important in relation to business costs or living costs. The Secretary of Agriculture is directed to recommend to the Price Administrator the removal of maximum prices on such commodities as rapidly as, in the judgment of the Secretary, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect, and he is to recommend the removal of maximum prices on all such unimportant commodities by December 31, 1946. The Administrator is required to remove maximum prices in accordance with such recommendations.

Paragraph (3) of this subsection provides that whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of the Price Control Act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, the reestablishment of price controls with respect to such commodity, and that the Administrator shall reestablish such controls upon such recommendation.

Paragraph (4) of this subsection defines the term "agricultural commodity" to mean (except for purposes of subsection (d) (6)) any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity.

Paragraph (5) of this subsection (e) provides that the Secretary of Agriculture, in exercising his functions under the Emergency Price Control Act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, except to the extent that a review of his decisions by the Price Decontrol Board is provided for in this section, and that no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. This paragraph also provides that the Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under the Emergency Price Control Act, and that upon the withdrawal of his approval such action shall be rescinded. This provision is related to section 3 (e) of the present law, which requires that written approval of the Secretary of Agriculture be obtained for actions taken under the Price Control Act with respect to agricultural commodities and with respect to regulations, orders, price schedules, and other requirements applicable to processors with respect to food or feed products processed or manufactured in whole or substantial part from agricultural commodities.

Paragraph (6) of this subsection (e) provides that no maximum price and no regulation or order under the Price Control Act or the Stabilization Act shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under the Price Control Act prior to April 1, 1946. This provision will not prevent the restoring of maximum prices in the case of a commodity upon which maximum prices had been in effect prior to April 1, 1946, even though maximum prices upon such commodity had been removed and were not in effect on April 1, 1946, nor will it prevent the maintenance of maximum prices upon a commodity if a regulation or order establishing maximum prices upon such commodity had been issued prior to April 1, 1946, even though such regulation or order did not take effect until after that date. On the other hand, the provision will prohibit other types of regulations and orders as well as maximum prices in the case of any agricultural commodity unless a regulation or order had been issued prior to April 1, 1946, establishing a maximum price on such commodity. Thus, in the case of cotton, the recent order relating to margin requirements for futures trading, although not a maximum price regulation or order, will be made inapplicable because maximum prices with respect to cotton were not established prior to April 1, 1946.

Paragraphs (7) to (11), inclusive, of such subsection (c) specifically decontrol certain specified commodities. They provide that no maximum price and no regulation or order under the Price Control Act or the Stabilization Act shall be applicable with respect to the following commodities:

(1) Livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

(2) Cottonseed, soybeans, or products processed or manufactured in whole or substantial part from cottonseed or soybeans.

(3) Milk or food or feed products processed or manufactured in whole or substantial part from milk.

(4) Grains for which standards have been established under the United States Grain Standards Act, and any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

(5) Leaf tobacco and tobacco products processed or manufactured in whole or substantial part therefrom.

Paragraph (12) of such subsection (e) makes it unlawful for the Administrator, in establishing maximum prices for sales of finished woven fabrics made primarily of cotton fiber or of apparel made therefrom, to establish or maintain differentials in the method of determining the basic grey-goods cost or the finished-woven-fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

Saving provision: Subsection (f) of the proposed new section 1A provides that nothing in this section shall limit the authority to remove maximum prices at an earlier time than would be required by the section.

Petitions for decontrol: Subsection (g) of the proposed new section provides that the industry advisory committee appointed under the Price Control Act with respect to a commodity may file a petition for the removal of maximum prices on such commodity, if in the judgment of the committee the standards set forth in this section require the removal of maximum prices for such commodity. Such petitions are to be filed with the Price Administrator in the case of nonagricultural commodities and with the Secretary of Agriculture in the case of agricultural commodities. The petition is to state the grounds upon which the committee believes the removal of maximum prices to be required and is to be accompanied by written evidence in support of the petition. The Administrator or the Secretary of Agriculture, as the case may be, must act upon the petition within 15 days after it is filed. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, must, upon the request of the industry advisory committee, hold a hearing for the further consideration of the petition, and must within 15 days after the hearing make a decision upon the petition. If the petition is denied in whole or in part, such decision must be accompanied by a written statement of the reasons for denying the petition in whole or in part. If the Administrator or the Secretary has not granted the petition after the hearing, the petitioning industry advisory committee may petition the Price Decontrol Board, established under this section, for a review of the action of the Administrator or the Secretary. The special method which is provided in this section for the consideration of petitions for decontrol made by industry advisory committees does not take away or impair any right of any person subject to a maximum price regulation to protest the continued maintenance of maximum prices in accordance with the regular protest provisions of the Price Control Act.

Price Decontrol Board: Subsection (h) of the proposed new section establishes a Price Decontrol Board as an independent agency in the executive branch of the Government. The Board is to be composed of three members appointed by the President by and with the advice and consent of the Senate. This Board is to have jurisdiction to review decisions of the Price Administrator and the Secretary of Agriculture in cases where those officers have failed or refused to remove price controls upon the petition of industry advisory committees. Upon such review the Board is to order the removal of maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsections (d) and (e) have been satisfied with respect to the commodity involved. Also, as indicated above, price controls may be reestablished with respect to a commodity from which price controls have been removed only if the Price Decontrol Board gives its written consent to reestablishing such controls. This subsection contains provisions giving the Board such authority as is neces-

sary to enable it to perform its functions and prescribing procedure to be followed with respect to petitions made to the Board.

Section 4—Establishment of regional industry advisory committees

Section 4 of the Senate amendment amends section 2 (a) of the Price Control Act by adding a new sentence requiring that in administering the provisions of such section 2 (a), relating to the establishment of industry advisory committees, the Price Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region.

Section 5—Rent ceilings in case of hotels

Section 5 of the Senate amendment proposes to add a new paragraph to section 2 (b) of the Price Control Act authorizing the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustment of rent ceilings thereon, to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in investment, operation, expenses, and mechanical details of operation. The provision contains a requirement that the Administrator classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourist courts, rooming houses, and boarding houses.

Section 6—Subsidy operations

Section 6 of the Senate amendment contains provisions relating to subsidy operations (including buying for resale at a loss) in the case of the Commodity Credit Corporation and the Reconstruction Finance Corporation.

Subsection (a) provides that the last paragraph of section 2 (e) of the Price Control Act, as amended, shall not apply with respect to such operations for the fiscal year ending June 30, 1947, but such operations are limited as to purpose, amount, and duration by the following provisions:

"Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

"(1) With respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, \$31,000,000.

"(2) With respect to copper, lead, and zinc, in the form of premium price payments, \$100,000,000: *Provided*, That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and (i) adjustments shall be made to encourage exploration and development work, (ii) adequate allowances shall be made for depreciation and depletion, and (iii) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

"(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

"(4) With respect to noncrop programs, 1946 crop-program operations and the 1947 crop-program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, \$869,000,000: *Provided*, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than \$629,000,000 during the last 6 months of the calendar year 1946. Operations shall not be carried out under authority of this subpara-

graph (4) with respect to any commodity for any period during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended: *Provided*, That subsidies with respect to petroleum produced from stripper wells shall be continued at not to exceed the existing rates. No new subsidy or purchase and sale operations shall be undertaken under the authority of this subparagraph (4), and no change shall be made in the basis of any existing operations for which funds are made available under this subparagraph, which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity."

The premium price plan for copper, lead, and zinc, and the stripper well subsidies on petroleum would be retroactive to June 30, 1946.

Subsection (b) provides that when any direct or indirect subsidy to an industry is reduced or terminated, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies and differential subsidies to high-cost producers.

Subsection (c) provides that when roll-back subsidies have been in effect, and have been or shall be discontinued, equivalent price increases shall be permitted.

Subsections (d) and (f) contain saving provisions to make it clear that nothing in the section is to affect the operation of certain provisions of law, previously enacted, granting authority to engage in subsidy operations. These are Public Laws 30, 88, 164, 328, and 388 of the Seventy-ninth Congress.

Subsection (e) provides that notwithstanding other provisions of the section, 1946 and 1947 crop program operations with respect to sugar may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. It is provided that for purposes of the section no subsidy program operation on sugar shall be considered to be a new subsidy. A proviso is included that neither the Commodity Credit Corporation nor any other Government agency shall absorb any increase in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946.

Section 7—Fish and sea-food commodities

Section 7 of the Senate amendment amends section 2 (i) of the Emergency Price Control Act of 1942, as amended, which now provides that no maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1942. Under the proposed amendment, this subsection will provide that for the purposes of the Price Control Act and the Stabilization Act, fish and other sea foods shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities. However, instead of making applicable to fish and other sea foods the provisions of section 3 of the Stabilization Act of 1942, which establishes for agricultural commodities pricing standards based on parity or the highest price prevailing between January 1, 1942, and September 15, 1942, the amendment provides that the maximum price for any fish or sea-food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942. The amendment will have the effect of making applicable to fish and other sea foods the provisions of section 3 (e) of the Price Control Act relating to securing the written approval of the Secretary of Agricul-

ture, and will also have the effect of making applicable to fish and other sea foods the de-control standards which are provided for agricultural commodities.

Section 8—Limiting quantity of products sold to any buyer

Section 8 of the Senate amendment adds to section 2 (j) of the Price Control Act a provision to the effect that nothing in such Act shall be construed as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer. This provision would have the effect of discontinuing and prohibiting such limitations as that contained in Maximum Price Regulation 602, which provides that a manufacturer of nylon hosiery may not distribute a larger percentage of his product to wholesale outlets than he did in the base year, 1941.

Section 9—Highest price line in service establishments

Section 9 of the Senate amendment amends section 2 (k) of the Price Control Act so as to make applicable with respect to service establishments the provisions of that subsection which provide that no seller of goods at retail shall be required to limit his sales with reference to any highest price line offered for sale by him at any prior time.

Section 10—Subsections added to section 2 of the Price Control Act

Section 10 of the Senate amendment proposes to add new subsections (o) to (u), inclusive, at the end of section 2 of the Emergency Price Control Act of 1942.

Control of certain items in restaurants: The new subsection (o) provides that no maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity which is not under price control with respect to sales to such restaurant or other eating establishment, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined by the addition of a customary margin to the acquisition cost of such item.

Maximum average price plan: The new subsection (p) provides that no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales. This provision will have the effect of eliminating the maximum average price plan under which manufacturers subject to it are restrained from delivering for sale in any quarter goods averaging in price more than the weighted average price of the goods which he delivered for sale in a corresponding previous quarter.

Discounts in certain retail industries: The new subsection (q) provides that the Administrator shall not reduce established peacetime retail trade discounts or mark-ups or dealer handling charges in the case of certain commodities whose production was discontinued or restricted during the war. This restriction would apply in the case of any retail industry whose principal sales during the calendar years 1939 to 1941, inclusive, consisted of sales of a commodity or commodities whose production or retail distribution was reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction. The restriction contained in this subsection would no longer apply after the retail unit sales of an affected commodity for a period of 6 months have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

Discounts for certain wholesale industries: The new subsection (r) makes the same kind of provision, except as to dealer handling charges, for wholesalers dealing in the commodities described above in subsection (q)

as that subsection makes for retailers dealing in such commodities.

Discounts for certain commodities: The new subsection (s) provides that no maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such distributive trade were less than the deliveries thereof in the corresponding quarter of 1945. For the purposes of this subsection, all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed under a single regulation are to be treated as a single commodity. The effect of this provision is to require the dealers in farm implements and farm machinery, or in any other commodities to which the subsection may be applicable, be given maximum prices which will allow them the same discounts or mark-ups which they enjoyed during peacetime.

Maximum prices applicable to wholesale or retail distributors: The new subsection (t) provides that in establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

Certain new commodities: The new subsection (u) provides that no maximum price shall be established or maintained with respect to any new commodity the use of which, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured, or processed, but the exemption provided for in this subsection is to apply only when the Price Administrator upon application finds that the standards prescribed in the subsection are met. The term "new commodity" is defined to mean a commodity which was not commercially or industrially available prior to January 30, 1942.

Section 11—Maximum prices in the case of products of a producing, manufacturing, or processing industry

This section of the Senate amendment proposes to add a new section 6 after section 5 of the Price Control Act, as amended.

Subsection (a) of the new section provides that for purposes of the section the "base period" shall be the calendar year 1940, or, in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

Subsection (b) prescribes the basic pricing standard to be applicable, in those cases where the procedure specified in subsection (i) is complied with, in the case of any product of a producing, manufacturing, or processing industry (including any industry furnishing service or transportation the charges for which are subject to the Administrator's control). This standard requires that no maximum prices shall be established or maintained for any such product which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period. It is provided, however, that the maximum prices for a product shall be deemed in compliance with the standard if such prices on the average are equal to the average current total cost of the

product plus the industry's over-all profit margin on sales in the base period. A proviso is included requiring, in the case of logs, lumber, and lumber products, that maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current costs of production. It is provided that the ceiling price of timber used or the current market price shall be considered the cost of such timber.

Subsection (c) provides that for purpose of determining costs the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including reasonable adjustments for conditions resulting from abnormal volume of production.

Subsection (d) provides that maximum prices established under the section shall not be held invalid on account of failure to return his costs to any particular member of any group involved.

Subsection (e) is included to insure that nothing in the section will nullify the power of the Administrator, under section 2 (c) of the Price Control Act, to make reasonable adjustments and exceptions, in individual cases, to prevent undue hardship.

Subsection (f) specifies circumstances under which the section is not to be deemed to require adjustment of maximum prices in accordance with the basic pricing standard set forth in subsection (a). It provides that where the maximum prices of a product on the average equal its average current total costs, adjustment of maximum prices to accord with the standard shall not be required for any period during which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

Subsection (g) defines "product" to mean any major item, or any article different in character from other products of the industry; but all styles, models, or other varieties of any such item or article shall be considered as one product.

Subsection (h) provides that the provisions of the section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

Subsection (i) prescribes the procedure to be followed before the section, in any particular instance, is to require any adjustment in maximum prices or invalidate any maximum price. Any industry advisory committee is authorized to apply to the Administrator for the adjustment of maximum prices applicable to any product in accordance with the standards set forth in the section, and must present with the application comprehensive evidence with respect to costs and prices. The Administrator, on the basis of all evidence available to him, must within 60 days either make the adjustments in maximum prices required by the section or, if he finds that no adjustments are required, deny the application. If within the time specified the Administrator neither makes the adjustments nor denies the application, the industry advisory committee may petition the Emergency Court of Appeals for relief, and such court is given jurisdiction by appropriate order to require the Administrator to make the determination and announcement within such time, not to exceed 30 days as may be fixed by the court. It is provided that if the Administrator fails to make the determination and announcement within the time fixed no maximum price shall thereafter be applicable with respect to any sale of such product by any seller.

Section 12—Enforcement amendments

Section 12 of the Senate amendment relates to the enforcement provisions of section 205 (e) of the act. Subsection (a) prevents the cumulation of the Administrator's claims, except for three times the actual overcharges, where he brings a treble damage action based on overcharges to a number of buyers. Under the present law the Administrator might sue a grocer for \$5,000 because of 100 overcharges of 10 cents each to 100 different buyers. Under the amendment the maximum recovery in that lawsuit would be \$50. Had the overcharges been 20 cents each, the maximum recovery would be three times the overcharges, or \$60.

This subsection also provides that if the defendant in a treble damage action proves that his violation was neither willful nor the result of failure to take practicable precautions against its occurrence the damages assessed shall be the amount of the overcharge. The effect of the amendment is to eliminate in such cases the \$25 minimum prescribed by the present law.

Subsection (b) forbids the Administrator from instituting or maintaining an action if (1) the violation arose because the seller acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration or (2) if the violation arose out of a sale to an agency of the Federal Government or to any public housing authority supervised or financed by such an agency if the sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

The last paragraph of this subsection is designed to forbid the institution or maintenance of an action by the Administrator in a situation like that which has arisen in the work-glove industry. The amendment forbids enforcement action where the Administrator determines (1) that the violation consisted of an apparel manufacturer's selling an item at his published March 1942 price list prices instead of his March 1942 delivered prices, and (2) that his customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices.

Section 13 of the Senate amendment amends section 205 (f) of the Emergency Price Control Act, relating to suspensions for violations of the act. The amendment made by this section provides that no suspension of a license shall be ordered or directed if the person charged with the violation proves that the violation in question was neither willful nor the result of failure to take proper precautions against the occurrence of the violation.

Section 14—Products made from cotton and wool

Section 14 of the Senate amendment proposes to add a new paragraph to section 3 of the Stabilization Act of 1942, as amended. This paragraph relates to maximum prices applicable to manufacturers or processors of products made in whole or major part from cotton or cotton yarn or wool or wool yarn. Under existing law the price standards established in the law must be applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn. This amendment makes it clear that when the current cost of cotton is higher than parity, the current cost must be used in applying such price standards separately to each major item. The amendment also specifies that as to each such major item there shall be added to the cotton cost the weighted average of mill conversion costs and a reasonable profit. This amendment also provides that the pricing standards applicable to major items made in whole or major part from cotton or cotton yarn under this paragraph shall also be applicable to major items made in whole

or major part from wool or wool yarn. It contains a provision defining the reasonable profit as not less than a weighted average profit for each unit of the item in question equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive.

Section 15—Relief of feed shortages

Section 15 of the Senate amendment provides that the Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is authorized to allocate feed which he controls to feeders of livestock and poultry in domestic areas which he determines to be in an emergency shortage condition with respect to animal and poultry feed.

Section 16—Government purchases of wheat

Section 16 of the Senate amendment provides that when producers of wheat are required by the Government, pursuant to the Second War Powers Act of 1942, as amended, to sell all or any part of the wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat which the producers are required to sell. The purchase price to be paid by such corporation in these cases is to be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947. The producer may not elect a date which has occurred prior to the time he makes his election. In this manner the producer is given an opportunity to decide whether or not he wishes to retain the right to profit from any increases which may occur in the market price of wheat before April 1, 1947; but, if he does so, he must assume the risk of loss which will result from any decrease in the market price of wheat prior to such date. Subsection (b) of this section in effect makes the provision described above retroactive until May 24, 1946, when the Government's present purchase program was put into effect. Producers who have sold their wheat under that program prior to the date the provision above described takes effect may, by returning or paying to the Commodity Credit Corporation the sum which they received for their wheat when it was sold, place themselves in the same position as if the provisions of subsection (a) of this section had been in effect at the time when the wheat was sold.

Section 17—Short title

Section 17 of the Senate amendment contains a short title for the proposed legislation.

Section 18—Saving provisions

The provisions of section 18 of the Senate amendment have for the most part been explained hereinbefore in the discussion of sections 1 and 2 of such amendment. This section contains, in addition to the provisions there explained, a provision to the effect that in cases where the provisions of this legislation require the Price Administrator to make or permit changes in maximum prices, the Administrator shall have a period of 30 days from the date of enactment within which to comply with such requirements.

Section 19—Rent control under State law

Section 19 of the Senate amendment provides that whenever a State has established or establishes provisions for control and regulation of the rent of housing accommodations and the governor of the State notifies the Price Administrator that such regulation and control are in effect, no provision of the Price Control Act or regulations, orders, or requirements thereunder (except as to offenses previously permitted) relating to the establishment and maintenance of maximum rents under such act shall be applicable within the State. The section also directs the Administrator to cooperate with any such State to the fullest extent, and directs him to make available to the proper officials of

the State records and other information requested by the State to enable it to effectively control and regulate such rents.

Section 20—Maximum prices in the case of pulpwood

Section 20 of the Senate amendment proposes to add a proviso at the end of section 3 (a) of the Price Control Act providing that no maximum price shall be imposed on pulpwood in any State at a price less than 100 percent of the highest maximum price established for pulpwood derived from trees of the same genus in any other State, zone, or region; but it is provided that fair and equitable differentials may be established between peeled and rough pulpwood.

THE SUBSTITUTE AGREED TO IN CONFERENCE

The substitute agreed to in conference amends the Price Control Act and the Stabilization Act, as of June 30, 1946, so as to provide for extension of such acts until June 30, 1947, and the provisions included in the conference substitute are similar, in general, to the provisions of the Senate amendment. The conference substitute differs from the Senate amendment in a number of respects, however, and these differences, except for minor and clarifying changes, are explained below:

Decontrol: As has been explained above, the Senate amendment provided for specific decontrol in the case of certain commodities. Except in the case of petroleum and petroleum products, there would have been no authority for the reestablishment of controls in the case of these commodities. While specific decontrol of all these commodities is retained in the conference substitute (except for products of cottonseed and soybeans other than feed or food products), the standard for reconrol in the case of petroleum and petroleum products is changed, and provisions have been included which would permit the reestablishment of controls in the case of the other named commodities under specified circumstances.

A special provision is included with respect to the following commodities: (1) Livestock, milk, or food or feed products thereof, (2) cottonseed and soybeans, and food or feed products thereof, and (3) grains for which standards have been established under the United States Grain Standards Act, and livestock or poultry feed produced therefrom. This special reconrol provision is contained in paragraph (8) of subsection (e) of the proposed new section 1A of the Price Control Act. Subparagraph (A) of this paragraph provides that price controls shall not be applicable to such commodities prior to August 21, 1946, but it directs the Price Decontrol Board to proceed forthwith to consider whether such commodities shall continue, after August 20, 1946, to be free from price controls. The Board, after opportunity for hearing to affected industries and consumers, is empowered by subparagraph (B) to determine whether or not any such commodity shall be subject to price controls after August 20, 1946. The Board is to direct that such commodity shall not be so regulated unless it finds (1) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946, and (2) that such commodity is in short supply and that its regulation is practicable and enforceable, and (3) that the public interest will be served by such regulation. If in the case of any such commodity the Board fails to direct, on or before August 20, 1946, that such commodity shall not be subject to price controls, it is provided that maximum prices and regulations and orders under the Price Control Act and the Stabilization Act shall be applicable with respect to such commodity. If the Board directs, pursuant to subparagraph (B), that any such commodity shall not be so regulated, the Board may, pursuant

to subparagraph (C), subsequently direct that the commodity shall be subject to price controls upon a finding on the basis of a standard similar to that which governs the Board's determination under subparagraph (B). Subparagraph (D) contains a provision permitting the exercise of the Board's decontrol and reconrol powers on a regional basis in the case of milk.

In the case of petroleum and petroleum products, poultry and eggs and food or feed products thereof, and leaf tobacco and products thereof, dealt with in subsection (d) (4) and subsection (e) (7), reconrol is not permissible until after August 20, 1946, and then only under the reconrol standards provided in paragraph 8 (C) of subsection (e).

By paragraph (9) of subsection (e) the Price Decontrol Board is empowered, where maximum prices are in effect with respect to a commodity listed in paragraph (8) (A), to determine whether any subsidy or any part thereof in effect prior to June 30, 1946, shall be reestablished in whole or in part.

Paragraph (10) of subsection (e) provides that whenever maximum prices are in effect for a commodity processed or manufactured in whole or substantial part from any commodity listed in paragraph (8) (A) with respect to which maximum prices are not in effect, no maximum price, and no margin, mark-up, or discount, shall be maintained with respect to such processed or manufactured commodity which does not return to the processors, manufacturers, and distributors thereof (a) the raw material cost (which must be computed at least once every 60 days at not less than the current cost), (b) the conversion or distribution cost, and (c) a reasonable profit.

Maximum prices in the case of products of a producing, manufacturing, or processing industry: Section 11 of the conference substitute adds a new section 6 to the Price Control Act establishing standards applicable with respect to maximum prices for any product of a producing, manufacturing, or processing industry. This section 6 as included in the conference report is in general similar to the section 6 which the Senate amendment proposed to add to the Price Control Act, but certain important modifications have been made.

An explanation is made elsewhere in this report of the disposition made of the proviso contained in the Senate section relating to maximum prices in the case of logs, lumber, and lumber products.

Subsection (c) of the section in the Senate amendment relating to the determination of costs would have authorized the Administrator to make "reasonable adjustments for conditions resulting from abnormal volume of production." In the conference substitute this authority is modified so that in lieu thereof the Administrator would be authorized to make "adjustments for temporary cost abnormalities which may be reasonably anticipated to be eliminated within the three months following the Administrator's determination, and adjustments for increases in the volume of production which may be reasonably anticipated to be experienced within such three-month period."

Subsection (f) of the section as it appeared in the Senate amendment specified certain circumstances under which the Administrator would not be required to apply the general pricing standard established by the section. It provided that if the maximum prices of a product on the average equal the average current total costs, nothing in the section should require the adjustment of maximum prices for the product for any period during which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products. In the conference substitute this subsection has been modified so that failure

to make the adjustments required by the general pricing standard of the section would be permitted, under the circumstances specified, only in cases where the maximum prices of a product, on the average, equal its average current total cost plus a reasonable profit.

Distributor discounts and mark-ups: The new subsection (t) of section 2 of the Price Control Act added by section 10 of the conference substitute, instead of requiring, as did the Senate amendment, that maximum prices applicable to wholesale or retail distributors shall allow the current cost of acquisition of any commodity plus such percentage discount or mark-up as was in effect on June 29, 1946, requires that such maximum prices shall allow the average current cost of acquisition plus such average percentage discount or mark-up as was in effect on March 31, 1946.

Subsidy operations: Except for clarifying changes the only differences between section 6 of the Senate amendment and section 6 of the conference substitute, which relate to subsidy and purchase and loss operations of the Commodity Credit Corporation and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1947, are as follows:

(1) The last sentence of section 6 (a) (4) has been rewritten so that instead of expressing the limitations contained therein in terms "new" operations and "existing" operations it provides that "no subsidy or purchase and sale operation shall be undertaken under authority of this subparagraph (4) with respect to any commodity unless a subsidy or purchase and sale operation with respect to such commodity was in effect on June 29, 1946; and no such operation shall be undertaken under authority of this subparagraph (4) which will increase the rate of subsidy paid or the rate of loss incurred with respect to any commodity above that which would be paid or incurred if the operations in effect on June 29, 1946, had been continued on the same basis."

(2) In subsection (b), relating to price increases required in case of reduction or termination of subsidies, an additional exception is made with respect to subsidies in the form of premium payments under the Veterans' Emergency Housing Act of 1946. Also, the requirement as to increases in maximum prices is made applicable to the case where a commodity is recontrolled and subsidies are not restored or are restored only in part.

(3) A new clause has been added at the end of subsection (f), as follows: "and nothing in this Act or in any other Act shall prohibit the establishment of maximum sales prices or maximum rents for housing accommodations for which materials or facilities are allocated, or priorities for delivery thereof issued, under said Veterans' Emergency Housing Act of 1946."

Section 6 of the conference substitute, by imposing limitations on the amounts which may be used for the fiscal year ending June 30, 1947, for the operations referred to therein, prescribes maximum amounts which will be controlling over any other provision of law which might be construed to authorize the use of funds for such operations.

It is intended, and it is believed to be clear, that the provisions of section 6 shall not limit or affect payments or losses incident to such of the operations of the Commodity Credit Corporation as sales of commodities for export at competitive world prices pursuant to section 21 (c) of the Surplus Property Act of 1944, sales of farm commodities for new or byproduct uses pursuant to section 2 of the act of April 12, 1945 (59 Stat. 50), sales of commodities pursuant to section 2 of the act of April 12, 1945 (59 Stat. 50), which have substantially deteriorated in quality, or of nonbasic perishable commodities where there is danger of loss through waste or spoilage, and loans, purchases, or

other price support operations which do not involve supporting prices to producers of agricultural commodities at levels above those reflected by price ceilings, or prevent parity payments or soil conservation payments under existing law or benefits under title III of the Sugar Act of 1937.

That part of the saving provisions of section 18 of the conference substitute providing that regulations, orders, and other requirements under the Price Control Act shall be in effect as though this legislation had been enacted on June 30, 1946, contains a provision, not included in the Senate amendment, to make clear that the Reconstruction Finance Corporation is not required to pay subsidies with respect to meat, flour, or coffee for the period between June 30, 1946, and the date of enactment of this legislation.

Maximum prices in case of woven fabrics of cotton fiber: Paragraph (12) of subsection (e) of the proposed new section 1A of the Price Control Act, in the Senate amendment, relating to maximum prices in the case of woven fabrics made primarily of cotton fiber, and apparel made therefrom, has been modified to apply also to knitted fabrics made primarily of cotton fiber and apparel made therefrom, and has been placed in section 10 of the conference substitute as new subsection (w) of section 2 of the Price Control Act.

Maximum prices in the case of logs, lumber, and lumber products: In section 6 of the Price Control Act as proposed to be added to present law by section 11 of the Senate bill there was a proviso requiring, in the case of logs, lumber, and lumber products, that maximum prices shall be established at a level which will permit producers of at least 90 percent of the production thereof to recover their current costs of production. At the end of this proviso was a sentence providing that the ceiling price of timber used or the current market price shall be considered the cost of such timber. The sentence has been omitted from the conference substitute. The remainder of the proviso has been placed in section 10 of the conference substitute as new subsection (v) of subsection 2 of the Price Control Act, and it has been modified so that it applies only in the case of softwood logs and lumber.

Maximum prices in the case of pulpwood: Section 20 of the Senate amendment, relating to maximum prices in the case of pulpwood, has not been included in the conference substitute.

Maximum prices in case of certain imported commodities and products processed therefrom: There has been included in section 10 of the conference substitute, as new subsection (x) of section 2 of the Price Control Act, a provision making it the duty of the Price Administrator, under specified circumstances, to remove or increase maximum prices in the case of certain imported commodities and products processed directly therefrom. This action is required to be taken, in order to maintain and increase domestic production and employment and to make possible the balancing of supply and demand, whenever the world price of a commodity essential to the economy of the United States (average price at which such commodity could be purchased when landed duty paid at any United States port of entry) exceeds the maximum purchase price established by the Administrator, and results in (1) reduction of importation in an amount substantial in relation to the total consumption of the commodity in the United States, or (2) the substantial curtailment or restriction of the domestic trade in such commodity or products processed directly therefrom.

State rent control: Section 19 of the Senate amendment, intended to provide for discontinuance of Federal rent controls in any State prepared to operate under its own rent control law, has not been included in the conference substitute.

In the amendment to section 2 (b) of the Price Control Act made by section 5 of the conference substitute a new paragraph has been included providing that while maximum rents are in effect under the Price Control Act with respect to housing accommodations in any defense-rental area, such housing accommodations shall not be subject to rent control by any State or local government. One effect of this provision is to make it clear that in any case where, since June 30, 1946, any State has put its own rent control law into operation, the rent provisions of the Price Control Act and the orders and regulations thereunder, within the field of their operation, will supersede such State law.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
WILLIAM B. BARRY,
RALPH A. GAMBLE,

Managers on the Part of the House.

ATOMIC ENERGY LEGISLATION

Mr. KOPPLEMANN. Mr. Speaker, on Saturday, July 20, I addressed the committee on S. 1717 on atomic energy. The reporter gave me my statement for correction and revision. I did not return it in time for insertion in the RECORD. I now ask unanimous consent that it be placed in the permanent RECORD at the point where I spoke, as well as in the Appendix of today.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

[The matter referred to appears in the Appendix.]

EXTENSION OF REMARKS

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD on three subjects and in two instances to include newspaper articles.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

GEN. R. M. LITTLEJOHN

Mr. RICHARDS. Mr. Speaker, this morning Gen. R. M. Littlejohn was sworn in as War Assets Administrator and the country is to be congratulated on the President's choice for this difficult position.

General Littlejohn, a South Carolinian, has had a distinguished military career and we are proud of him. His over-all service in Europe in the quartermaster and supply branch of General Eisenhower's army was a major factor in our overwhelming victory in that theater. While the nature of his work did not bring the public acclaim and recognition he deserved, General Eisenhower has been first to acknowledge and commend General Littlejohn's leadership and gigantic achievements.

The people of the United States, some of whom have been disturbed by some phases of the handling of our war assets, may be assured of an honest, fearless, and able policy under the new Administrator. General Littlejohn will do his duty as he sees it regardless of the devil,

high water, and those who would profit at the expense of the taxpayers of the United States.

HOOR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADDITIONAL FUNDS FOR COMMITTEE INVESTIGATING DISPOSAL OF SURPLUS PROPERTY

Mr. ELLIOTT. Mr. Speaker, I offer the following privileged resolution (H. Res. 719) from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the further expenses of conducting the study and investigation authorized by House Resolution 335 of the Seventy-ninth Congress, incurred by the select committee appointed to study and investigate the operation of the program for the disposition of surplus property, acting as a whole or by subcommittee, not to exceed \$15,000 in addition to funds heretofore made available, including expenditures for the employment of experts, investigators, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or any subcommittee thereof conducting such investigation, signed by the chairman of the committee, and approved by the Committee on Accounts.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia unless otherwise officially engaged.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman explain how much money we gave them previously?

Mr. ELLIOTT. We previously gave them \$45,000. Due to the fact that Congress will soon recess or adjourn it is necessary for them to have more money to carry on their work during the balance of the year. The committee in making this investigation will be here in Washington most of the time, as they are just getting under way now with the surplus property disposal investigation. I understand the entire committee, both Republicans and Democrats, have agreed on this additional increase.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. HOFFMAN of Michigan. The gentleman says they are going to be here all summer. Are they also going to investigate as to property which has been disposed of? Are they going to endeavor to learn anything as to why certain classes or items of property should not be offered as surplus?

Mr. ELLIOTT. I may say to the gentleman from Michigan that I understand the committee is going to make a thorough investigation of all phases of surplus property, off sales as well as on sales, and urge immediate sales of property which is now available and badly needed but not being sold.

Mr. HOFFMAN of Michigan. Will the gentleman tell me why the Committee on Expenditures in the Executive De-

partments which wrote the law did not make any investigation about it?

Mr. ELLIOTT. The gentleman is a member of the committee. He can answer his own question.

Mr. HOFFMAN of Michigan. The trouble is the gentleman is on the majority side and I am on the minority. I cannot get any information out of you fellows.

Mr. ELLIOTT. I think the gentleman did pretty well; he was there doing most of the talking.

The SPEAKER. The question is on the resolution. The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

NATIONAL SCIENCE FOUNDATION

Mr. MILLS. Mr. Speaker, during the month of May hearings were conducted by a subcommittee of the Committee on Interstate and Foreign Commerce of the House of Representatives on the question of establishing a National Science Foundation. A bill, H. R. 6448, which I introduced on May 15, 1946, was used as the basis for the hearings. Following these hearings the subcommittee in executive session adopted several amendments to the bill and reported it, as amended, to the full committee.

On last Friday it was the consensus of opinion of the members of the committee, a quorum being present, that H. R. 6448 and the Senate bill, S. 1850, be not considered before the adjournment or recess of the Congress.

I desire to state that I am in accord with the decision of the full committee and to advise that I do not believe the committee could have taken any other action under the circumstances.

The gentleman from West Virginia [Mr. RANDOLPH] who is coauthor of the House proposal and who has been interested in the subject for many years, advises me that he also is in accord with the thinking of the committee on the point involved.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. VOORHIS of California asked and was given permission to revise and extend his remarks and include a statement filed on behalf of certain air carriers before the Civil Aeronautics Board.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three instances and include certain newspaper excerpts.

Mr. KNUTSON asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include a short editorial entitled "Whose Inflation Is It?"

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD.

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD and include a statement made before the Committee on Agriculture.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD in two instances, to include in one a newspaper article, and in the other a resolution.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD and include a statement from the State Chamber of Commerce in California.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD and include an essay on food.

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD in three instances, in one to include an editorial, and in the other two newspaper items.

PERMISSION TO ADDRESS THE HOUSE

Mr. HARNES of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. HARNES of Indiana addressed the House. His remarks appear in the Appendix of today's RECORD.]

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. McDONOUGH addressed the House. His remarks appear in the Appendix of today's RECORD.]

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AVIATION

Mr. PITTENGER. Mr. Speaker, I was greatly interested in the remarks made by the gentleman from California [Mr. VOORHIS] dealing with the problem of the veterans in connection with the development of the business of aviation in this country. I think the Civil Aeronautics Board is now considering the

EXTENSION OF EMERGENCY PRICE CONTROL ACT AND STABILIZATION ACT

JULY 22, 1946.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. J. Res. 371]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947".

SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947".

SEC. 3. Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section as follows:

"PURPOSES AND POLICIES IN THE TRANSITION PERIOD

"SEC. 1A. (a) *OBJECTIVES.*—The Congress hereby affirms—

"(1) *that because of abnormally excess spending power in relation to the presently available supply of commodities, rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents,*

cost of living and costs of production (including labor costs), for the purposes set forth in section 1 of this Act and for the further purposes of protecting the real value of benefits provided by law for veterans and their dependents, of keeping faith with purchasers of United States War Bonds, and of making possible a successful transition to a peacetime economy of maximum employment, production, and purchasing power under a system of free enterprise;

"(2) that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to such a peacetime economy and would tend to repress and prevent the attainment of this and the other goods herein declared; and

"(3) that adequate prices are necessary stimulants to the production thus desired and the expeditious attainment of said goals.

"(b) *DECLARATION OF DECONTROL POLICY.*—Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this Act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

"(c) *RECOMMENDATIONS BY THE PRESIDENT TO THE CONGRESS.*—(1) As soon as practicable after the enactment of this section and in any event on or before January 15, 1947, the President shall recommend to the Congress such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter.

"(2) On or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this Act as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government (other than the Office of Price Administration) which should be charged with the administration of such powers.

"(d) *DECONTROL OF NONAGRICULTURAL COMMODITIES.*—(1) On or before December 31, 1946, the Administrator shall decontrol all non-agricultural commodities not important in relation to business costs or living costs, and prior to that date shall proceed with such decontrol as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. In no event shall maximum prices be maintained after December 31, 1946, for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

"(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefore (including appropriate inventory requirements).

"(3) Whenever, after a reasonable test period, it appears that the supply of a nonagricultural commodity which has been decontrolled is no longer consistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this Act. The supply of a nonagricultural commodity shall be deemed inconsistent with the applicable decontrol standard in any case where the prices of the commodity have risen to and after a reasonable test period remain at unreasonable and inflationary levels.

"(4) Nothing contained in this Act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum or petroleum products processed or manufactured in whole or substantial part from petroleum, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (d), but only under the standards prescribed in paragraph (8) (C) of subsection (e).

"(e) AGRICULTURAL COMMODITIES.—(1) On the first day of the first calendar month which begins more than thirty days after the date of enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which such Secretary determines to be in short supply. Thereafter, on the first day of each succeeding calendar month the Secretary shall certify modifications of such certification by adding other agricultural commodities which have become in short supply and by removing from such certification such commodities which he determines are no longer in short supply. No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than thirty days after the date of enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

"(2) (A) Whenever the Secretary of Agriculture determines that maximum prices applicable to any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity.

"(B) The Secretary of Agriculture by December 31, 1946, shall recommend to the Price Administrator the removal of maximum prices on all agricultural commodities, whether or not in short supply, not important in relation to business costs or living costs, and prior to that date shall make such recommendations as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect.

"(C) Within ten days after the receipt of any recommendation under this subsection for the adjustment of maximum prices applicable to any agricultural commodity, or for the removal of maximum prices on agricultural commodities not important in relation to business costs or living costs, the Price Administrator shall adjust or remove such maximum prices in accordance with such recommendations.

"(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this Act, the Secretary, with the written consent of the Price Decontrol Board,

may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this Act.

“(4) For the purposes of this section (except subparagraph (6) of this subsection (d))—

“(A) an agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season;

“(B) the term ‘agricultural commodity’ shall be deemed to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity;

“(C) the term ‘subsidy’ means any subsidy or purchase and sale operations described in the last paragraph of section 2 (e) of this Act.

“(5) Notwithstanding any other provision of this or any other law, except as provided in subsection (h), the Secretary of Agriculture, in exercising his functions under this Act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, and no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. The Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under this Act, and upon the withdrawal of his approval such action shall be rescinded.

“(6) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this Act prior to April 1, 1946.

“(7) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable with respect to poultry or eggs or food or feed products processed or manufactured in whole or substantial part therefrom, or in the case of leaf tobacco or tobacco products processed or manufactured in whole or substantial part therefrom, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (e), but only under the standards prescribed in paragraph (8) (C) of this subsection (e).

“(8) (A) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable prior to August 21, 1946, with respect to livestock, milk, or food or feed products processed or manufactured in whole or substantial part from livestock or milk with respect to cottonseed or soybeans, or food or feed products processed or manufactured in whole or substantial part from cottonseed or soybeans; with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

“(B) The Price Decontrol Board shall proceed forthwith to consider whether the commodities listed in subparagraph (A) shall continue, after August 20, 1946, to be free from regulation under this Act and the Stabilization Act of 1942, as amended. Such Board, after due notice of a

public hearing and full opportunity for representatives of affected industries and consumers to present their views orally or in writing, shall have power to determine whether or not any commodity listed in subparagraph (A) shall be regulated after August 20, 1946, under this Act and the Stabilization Act of 1942, as amended. Such Board shall direct that any such commodity shall not be so regulated unless it finds—

“(i) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946, and

“(ii) that such commodity is in short supply and that its regulation is practicable and enforceable, and

“(iii) that the public interest will be served by such regulation.

If in the case of any commodity listed in subparagraph (A) such Board fails to direct, on or before August 20, 1946, that such commodity shall not be regulated under this Act and the Stabilization Act of 1942, as amended, maximum prices and regulations and orders under such Acts shall be applicable with respect to such commodity without regard to this paragraph (8).

“(C) If in the case of any commodity listed in subparagraph (A) such Board, on or before August 20, 1946, does direct that such commodity shall not be regulated under such Acts, the Board may at any subsequent time direct that such commodity shall be so regulated if it finds:

“(i) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946; and

“(ii) that such commodity is in short supply and that its regulation is practicable and enforceable; and

“(iii) that the public interest will be served by such regulation.

Thereafter, the provisions of such Acts and regulations and orders thereunder shall be applicable with respect to such commodity without regard to this paragraph (8).

“(D) In the case of milk, the Board may consider and determine decontrol or recontrol on a regional basis.

“(9) The Price Decontrol Board shall also have power to determine, when maximum prices are in effect with respect to any commodity listed in paragraph (8) (A), whether any subsidy or any part thereof in effect prior to June 30, 1946, shall be reestablished in whole or in part; and the powers of the Administrator, the Commodity Credit Corporation, and the Reconstruction Finance Corporation to pay subsidies in connection with such commodity shall be limited in accordance with any order of the Board.

“(10) Whenever maximum prices are in effect for any commodity processed or manufactured in whole or substantial part from any commodity listed in paragraph (8) (A) with respect to which maximum prices are not in effect, no maximum price, and no margin, mark-up, or discount, shall be maintained with respect to such processed or manufactured commodity which does not return to the processors, manufacturers, and distributors thereof (A) the raw material cost (which must be computed at least once every 60 days at not less than the current cost), (B) the conversion or distribution cost, and (C) a reasonable profit.

“(f) SAVING PROVISION.—Nothing in this section shall limit the Administrator's authority to remove maximum prices for any nonagricultural commodity, or any agricultural commodity with the approval of

the Secretary of Agriculture, at an earlier time than would be required by this section, if in his judgment or in the judgment of the Secretary of Agriculture, as the case may be, such action would be consistent with the purposes of this section.

“(g) PETITIONS FOR DECONTROL.—(1) If in the judgment of the industry advisory committee appointed by the Administrator in accordance with section 2 (a) of this Act to advise and consult with respect to a commodity, the standards set forth in this section require the removal of maximum prices for such commodity, it may file a petition for the removal of such maximum prices. In the case of any nonagricultural commodity, such petition shall be filed with the Administrator in accordance with regulations prescribed by him. In the case of agricultural commodities, such petition shall be filed with the Secretary of Agriculture in accordance with regulations prescribed by him and shall request that he make an appropriate certification or recommendation to the Price Administrator. The petition shall specifically state the grounds upon which the committee believes such action to be required and shall be accompanied by affidavits or other written evidence in support thereof.

“(2) Within fifteen days after receiving a petition filed in accordance with the provisions of this subsection, the Administrator or the Secretary of Agriculture, as the case may be, shall either grant the petition or inform the committee in writing why in his judgment the standards for decontrol stated in subsections (d) and (e) have not been satisfied with respect to the commodity involved. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, shall, within ten days after the receipt of a request by the committee for further consideration of its petition, hold a hearing before himself or before a deputy administrator (or, in the case of the Secretary, before such officer as he may designate) at which the committee may present its argument in support of the petition. The Consumers Advisory Committee and the Labor Advisory Committee appointed by the Administrator shall be given notice of any such hearing and an opportunity to present their views with respect to the petition and may, not later than five days prior to such hearing, present in writing evidence relating thereto. Within fifteen days after such hearing, the Administrator or the Secretary, as the case may be, shall either grant the petition in full or furnish the industry advisory committee with a statement in writing of his reasons for denying it in whole or in part together with a statement of any economic data or other facts of which he has taken official notice in connection with such denial.

“(3) At any time within thirty days after the denial in whole or in part, following a hearing, of a petition filed under this subsection, the petitioning industry advisory committee may petition the Price Decontrol Board established under subsection (h) for a review of the action of the Administrator or the Secretary of Agriculture. If the Administrator or the Secretary, as the case may be, fails to act upon a petition within the time prescribed by paragraph (2), the industry advisory committee may, at any time within thirty days after the expiration of the time so prescribed, petition the Price Decontrol Board for the removal of maximum prices on the commodity involved.

“(4) Nothing in this section shall be construed to take away or impair any right of any person to protest, in accordance with the provisions of sections 203 and 204 of this Act, the further maintenance of maximum prices for a commodity under the standards of subsection (d) or (e): Provided, That the filing of such a protest or of a petition under paragraph 3 of this subsection shall not be grounds for staying any proceeding

brought pursuant to section 205 of this Act or section 37 of the Criminal Code, and no retroactive effect shall be given to any judgment setting aside a provision of a regulation, order, or price schedule under the standards set forth in this section.

“(h) **PRICE DECONTROL BOARD.**—(1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall constitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of \$12,000 a year.

“(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board.

“(3) A petition made under subsection (g) (3) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's or Secretary's reasons for believing that maximum prices on the commodity involved should not be removed, together with a statement of any economic data or other facts of which he has taken official notice. At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary, as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence, the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing on any petition, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board. Orders of the Board shall not be

subject to modification or review by any other department of agency or by any court.

"(4) No petition may be filed with the Board with respect to any commodity within a period of three months after the issuance of an order of the Board with respect to the same commodity.

"(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which is within the jurisdiction of the Board.

"(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it seems proper upon the record or may conduct a new hearing upon the petition before the Board."

SEC. 4. Section 2 (a) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new sentence: "In administering the provisions of this subsection relating to the establishment of industry advisory committees, the Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region."

SEC. 5. Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in the investment, operation, expenses, and mechanical details of operation between the transient hotels and the residential and apartment hotels, and is directed to classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourists courts, rooming houses, and boarding houses.

"While maximum rents are in effect under this Act with respect to housing accommodations in any defense-rental area, such housing accommodations shall not be subject to rent control by any State or local government."

SEC. 6. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations for the fiscal year ending June 30, 1947, of the Commodity Credit Corporation and

the Reconstruction Finance Corporation: Provided, That with respect to such corporations and such operations, the making of subsidy payments and buying for resale at a loss shall be limited as follows:

Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

(1) With respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, \$31,000,000.

(2) With respect to copper, lead, and zinc, in the form of premium price payments, \$100,000,000: Provided, That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and (i) adjustments shall be made to encourage exploration and development work, (ii) adequate allowances shall be made for depreciation and depletion, and (iii) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, \$869,000,000: Provided, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than \$629,000,000 during the last six months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period occurring after the date of the enactment of this Act during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended: Provided, That subsidies with respect to petroleum produced from stripper wells shall be continued at not to exceed the existing rates. No subsidy or purchase and sale operation shall be undertaken under authority of this subparagraph (4), with respect to any commodity unless a subsidy or purchase and sale operation with respect to such commodity was in effect on June 29, 1946; and no such operation shall be undertaken under authority of this subparagraph (4) which will increase the rate of subsidy paid or the rate of loss incurred with respect to any commodity above that which would be paid or incurred if the operations in effect on June 29, 1946, had been continued on the same basis.

(b) When any direct or indirect subsidy to an industry is reduced or terminated, or upon recontrol is not restored or is restored only in part, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies, differential subsidies to high-cost producers, and premium payments under authority of the Veterans' Emergency Housing Act of 1946.

(c) Where roll-back subsidies have previously been or presently are in effect, and have been discontinued, or shall hereafter be discontinued, the industries which have received such subsidies shall be permitted to increase their ceiling prices at least an amount equivalent to the amount of the discontinued roll-back subsidy. Such price increase shall become effective either upon discontinuance of the roll-back subsidy or upon passage of this Act, whichever date is the later. For the purposes of this paragraph, the term "roll-back subsidies" means subsidy payments, or purchases and sales of a commodity at a loss by the Government of the United States (including any Government-owned or controlled corporation), or contracts therefor, which resulted directly or indirectly in the lowering of ceiling prices below the maximum price levels established by the Office of Price Administration prior to the institution of the subsidy payments or purchases and sales at a loss, or the execution of the contracts therefor, whichever date is the earlier.

(d) Nothing in this section shall be construed to affect the provisions of Public Laws 30, 88, 164, and 328 of the Seventy-ninth Congress, or to prevent the use of the sums authorized in such laws to fulfill obligations incurred prior to July 1, 1946, with respect to operations prior to such date.

(e) Notwithstanding any of the foregoing provisions of this section 6, 1946 and 1947 crop program operations with respect to sugar, may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. For the purpose of this section 6, no subsidy program operation on sugar shall be considered to be a new subsidy: Provided, That Commodity Credit Corporation or any other Government agency shall not absorb any increase in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946.

(f) Nothing in this section shall be construed as a limitation upon operations authorized by the Veterans' Emergency Housing Act of 1946; and nothing in this Act or in any other Act shall prohibit the establishment of maximum sales prices or maximum rents for housing accommodations for which materials or facilities are allocated, or priorities for delivery thereof issued, under said Veterans' Emergency Housing Act of 1946.

SEC. 7. Section 2 (i) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(i) For the purposes of this Act and the Stabilization Act of 1942, as amended, fish and other sea food shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: Provided, That the provisions of section 3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or substantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942."

SEC. 8. Section 2 (j) of the Emergency Price Control Act of 1942, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: "or (5) as authorizing any regulation or

order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer".

SEC. 9. Section 2 (k) of the Emergency Price Control Act of 1942, as amended, is amended by inserting the words "or any operator of any service establishment" after the words "seller of goods at retail".

SEC. 10. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections:

"(o) No maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity to which no maximum price is applicable with respect to sales to restaurants and other eating establishments, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined, under the applicable maximum price regulation or order, by the addition of a customary margin to the acquisition cost of such item.

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established peacetime retail trade discounts or mark-ups or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of six months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit sales of such commodity for a period of six months shall have reached the average annual wholesale unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(s) No maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity (treating as a single commodity for the purposes of this paragraph all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed by the Office of Price Administration under a single regulation) if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such distributive trade were less

than 100 per centum of the deliveries thereof in the corresponding quarter of 1945.

"(t) In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow the average current cost of acquisition of any commodity, plus such average percentage discount or markup as was in effect on March 31, 1946.

"(u) After the date upon which this subsection takes effect, no maximum price shall be established or maintained, under this Act or under any other provision of law, with respect to any new commodity when the Administrator upon application finds that its use, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured or processed. As used in this subsection the term 'new commodity' means a commodity which was not commercially or industrially available prior to January 30, 1942.

"(v) In the case of softwood logs and lumber, the maximum prices shall be established at a level which will permit producers of at least 90 per centum of the production of softwood logs and lumber to recover their current costs of production.

"(w) In establishing maximum prices for sales of finished woven or knitted fabrics made primarily of cotton fiber or for the sales of apparel made therefrom it shall be unlawful for the Administrator to establish or maintain differentials in the method of determining the basic grey-goods cost or the finished-woven fabrics or finished-knitted-fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

"(x) Whenever the world price of a commodity essential to the economy of the United States (average price at which such commodity could be purchased when landed duty paid at any United States port of entry) exceeds the maximum purchase price established by the Administrator, and results in—

"(1) an actual reduction of the importation of such commodity into the United States in an amount substantial in relation to the total consumption of the commodity in the United States; or

"(2) the substantial curtailment or restriction of the domestic trade in such commodity or products processed directly therefrom, the Administrator shall, in order to maintain and increase domestic production and employment and to make possible the balancing of supply and demand, promptly remove maximum purchase prices from imports of such commodity and maximum prices from products processed directly therefrom, or increase the maximum prices of imports of such commodity and of products processed directly therefrom to the extent necessary to prevent such reduction in importation or curtailment of domestic trade."

SEC. 11. The Emergency Price Control Act of 1942, as amended, is amended by inserting after section 5 thereof the following new section:

"SEC. 6. (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

"(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry (including any industry furnishing service or transportation the charges for which are subject to the Administrator's control) which do not return on the average

to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

"(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including adjustments for temporary cost abnormalities which may be reasonably anticipated to be eliminated within the three months following the Administrator's determination, and adjustments for increases in the volume of production which may be reasonably anticipated to be experienced within such three-month period.

"(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

"(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this Act.

"(f) If the maximum prices of a product on the average equal its average current total cost plus a reasonable profit, nothing herein shall require any further adjustment of such maximum prices for any period with respect to which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

"(g) As used in this section, 'product' shall mean any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or article shall be considered as one product.

"(h) The provisions of this section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

"(i) Nothing in this section shall be construed to require any adjustment in maximum prices except pursuant to an application filed under this paragraph, or be construed to invalidate any maximum price unless there is a failure to make adjustments, in accordance with the procedure prescribed in this paragraph, to such extent as may be required to comply with the standards set forth in this section. Any industry advisory committee may apply to the Administrator for the adjustment of the maximum prices applicable to any product in accordance with the standards set forth in this section, and shall present with the application comprehensive evidence with respect to costs and prices. The Administrator shall consider the evidence so presented and all evidence otherwise available to him and, within 60 days after the receipt of such application, he shall make the adjustments in maximum prices required by this section, or, if he finds that no such adjustments are required, he shall deny the application. If the Administrator neither makes the adjustments in the maximum prices for any product required by this section, nor denies the application for such adjustments, within the 60-day period prescribed in this paragraph, the industry advisory committee concerned may petition the

Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to make such adjustments or deny such application within such time, not to exceed 30 days, as may be fixed by the court. If the Administrator fails to make such adjustments or deny such application within the time so fixed, no maximum price shall thereafter be applicable with respect to any sale of such product by any seller."

SEC. 12. (a) *The second sentence of section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than \$25 nor more than \$50, as the court in its discretion may determine: Provided, however, That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation."*

(b) *Section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:*

"The Administrator may not institute any action under this subsection on behalf of the United States, or, if such action has been instituted, the Administrator shall withdraw the same—

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration; or

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, or to any public housing authority whose operations are supervised or financed in whole or in part by any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"The Administrator shall not institute or maintain any enforcement action under this subsection against any manufacturer of apparel items where the Administrator shall determine (1) that the transactions on which such proceeding is based consisted of the manufacturer's selling such an item at his published March 1942 price list prices instead of his March 1942 delivered prices, and (2) that the seller's customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices. The Administrator's determinations under this paragraph shall be subject to review by the Emergency Court of Appeals in accordance with sections 203 and 204."

SEC. 13. *The third sentence of paragraph (2) of section 205 (f) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued*

under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no suspension shall be for a period of more than twelve months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed."

SEC. 14. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive)."

SEC. 15. The Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is hereby authorized to allocate feed which he controls to feeders of livestock and poultry in domestic areas which he may determine to be in an emergency shortage condition with respect to animal and poultry feed.

SEC. 16. (a) In the event producers of wheat are required by an order issued pursuant to the Second War Powers Act, 1942, as amended, to sell all or any part of wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat so required to be sold at a price determined as follows: The purchase price paid for the wheat shall be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947, inclusive: Provided, however, That only one election may be made for each lot of wheat: And provided further, That the producer may not elect a date prior to the date on which he mails a written notice to Commodity Credit Corporation of his election. In the event the producer does not notify Commodity Credit Corporation in writing by March 31, 1947, of his election of a date for determining the market price, such date shall be deemed to be March 31, 1947.

(b) Any producer of wheat who, prior to the date of enactment of this Act, has sold any wheat pursuant to the requirements of paragraph (e) (1) of War Food Order Numbered 144, may, at any time within thirty days after the date of enactment of this Act, pay to the Commodity Credit Corporation a sum equal to the amount for which he sold such wheat. Any producer paying any such sum to the Commodity Credit Corporation shall be deemed to have sold and delivered to the Commodity Credit Corporation as of the date he pays such sum a quantity of wheat equal in grade and quality to the quantity sold by him pursuant to such requirements and the purchase price to be paid to him for such wheat shall be determined in the same manner as in the case of a sale of wheat to the Commodity Credit Corporation pursuant to the provisions of subsection (a) of this section.

SEC. 17. This Act may be cited as the "Price Control Extension Act of 1946."

SEC. 18. (1) The provisions of this Act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended (except regulations or requirements under section 2 (e) thereof relating to meat, flour, or coffee), and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this Act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this Act had been enacted on June 30, 1946: Provided, That in any case in which the Emergency Price Control Act of 1942, as amended (except sections 204 and 205), or the Stabilization Act of 1942, as amended (except sections 8 and 9), or any regulation, order, or requirement under either of such Acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946 to the date of enactment of this Act, both inclusive: Provided further, That no act or transaction, or omission or failure to act, occurring subsequent to June 30, 1946, and prior to the date of enactment of this Act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such Acts: Provided further, That insofar as the provisions of this Act require the Administrator to make any change in any maximum price, such provisions shall not be deemed to require such change to be made before the thirtieth day following the date of enactment of this Act.

And the Senate agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
WILLIAM B. BARRY,
RALPH A. GAMBLE,

Managers on the Part of the House.

ROBERT F. WAGNER,
ALBEN W. BARKLEY,
GEORGE L. RADCLIFFE,
SHERIDAN DOWNEY,
CHAS. W. TOBEY,
ROBERT A. TAFT,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

S THE JOINT RESOLUTION PASSED BY THE HOUSE

The joint resolution as passed by the House contained only four sections, and its purpose was to provide retroactively for a brief extension of the Price Control Act and the Stabilization Act, without other change, in order to give time for Congress to work out further legislation on the subject.

Sections 1 and 2 provided for continuing the Price Control Act and the Stabilization Act until July 20, 1946.

Section 3 provided for authority in the Commodity Credit Corporation and the Reconstruction Finance Corporation to continue subsidy and purchase and sale operations until July 20, 1946, subject to the limitation that no new operations should be undertaken, and subject to the further limitation that no change should be made in the basis of operations existing on June 29, 1946, which would increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

Section 4 provided that the joint resolution should take effect as of June 30, 1946, the purpose being to insure that the provisions of the two acts and the regulations, orders, and other actions issued or taken thereunder should be considered as not having ceased to be in effect on June 30, 1946; but the section contained an exception to insure that no person would be subject to any suit, action, or prosecution on account of offenses committed subsequent to June 30, 1946, and prior to the date of the enactment of the joint resolution.

THE SENATE AMENDMENT

The Senate amendment is a substitute for all after the resolving clause of the joint resolution passed by the House.

The Senate amendment differs from the joint resolution as passed by the House in that, instead of providing for a temporary extension with a view to working out further legislation, it proposes extension until June 30, 1947, and proposes numerous substantive changes to govern the operation of price controls during the period of extension. Since the substitute agreed to in conference follows the pattern of the Senate amendment, with exceptions hereinafter explained, the provisions of the Senate amendment are outlined in detail below:

SECTIONS 1, 2, AND 18—EXTENSION OF PRICE CONTROL ACT AND STABILIZATION ACT

Sections 1 and 2 of the Senate amendment amend the Price Control Act and the Stabilization Act so as to continue such acts in effect until June 30, 1947. By section 18 these amendments, as well as the other amendments proposed, are made effective as of June 30, 1946, so as to insure that the provisions of these acts will not be considered to have ceased to be in effect on June 30, 1946, and it is provided in section 18 that all regulations, orders, price schedules, and requirements under the Price Control Act and the Stabilization Act which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this legislation had been enacted on June 30, 1946; but a saving provision is included that no act or transaction occurring after June 30, 1946, and prior to the date of enactment of this legislation shall be deemed to be a violation of the Price Control Act or the Stabilization Act, or of any regulation, order, price schedule, or requirement under either of such acts. A provision is also included in section 18 to preserve the status of proceedings, petitions, applications, and protests which were pending on June 30, 1946, but providing, in appropriate cases, that where any period of time was prescribed within which any act was required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period shall be extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this legislation.

SECTION 3—DECONTROL OF COMMODITIES; PRICE ADJUSTMENTS AND ADMINISTRATION IN CASE OF AGRICULTURAL COMMODITIES

The Senate amendment (by sec. 3) proposes to add after section 1 of the Price Control Act a new section 1A containing declarations of congressional policy regarding termination of price controls and related controls, and prescribing particular standards or requirements with respect to termination of price controls. In addition to its decontrol provisions, it relates to price adjustments and price administration in the case of agricultural commodities. The proposed new section 1A added is explained below.

Objectives.—Subsection (a) of this new section states that the rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living, and costs of production; that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to a healthy peacetime economy and would tend to repress and prevent the attainment of the goals stated in the act; and that adequate prices are necessary stimulants to the desired production and the expeditious attainment of said goals.

Declaration of decontrol policy.—Subsection (b) of the new section declares the policy of Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and demand in the case of commodities under their control, and that the general control of prices and the use of subsidy powers shall be terminated as rapidly as possible consistent with the

policies and purposes set forth in this section and in no event later than June 30, 1947, and that on that date the Office of Price Administration shall be abolished.

Recommendations by the President.—Subsection (c) of the new section provides, in paragraph (1) thereof, that the President shall recommend to the Congress as soon as practicable and in any event on or before January 15, 1947, such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by June 30, 1947, without danger of inflation thereafter. Paragraph (2) of this subsection provides that on or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of price control or rent control as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government which should be charged with the administration of such control.

Decontrol in case of nonagricultural commodities.—Subsection (d) of the new section 1A relates to the decontrol of nonagricultural commodities. First, paragraph (1) of this subsection provides for the removal of maximum prices on nonagricultural commodities not important in relation to business costs or living costs. The Price Administrator is directed to proceed with the decontrol of these commodities as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. Maximum prices on all such commodities are to be removed on or before December 31, 1946, and after that date no maximum price may be maintained for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

Paragraph (2) of subsection (d) states a general rule for the removal of maximum prices in the case of nonagricultural commodities, whether or not such commodities are important in relation to business costs or living costs. This rule is that maximum prices shall be promptly removed whenever the supply of a commodity exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements). Under this subsection, it is the duty of the Administrator to remove maximum prices upon his own initiative when the applicable decontrol standards are satisfied; however, provision is made in the later parts of this section for industry advisory committees to petition the Administrator for decontrol when such committees believe that the applicable decontrol standards have been satisfied and, in case of adverse action by the Administrator upon such a petition, further provision is made for an appeal to an independent Price Decontrol Board which may order the Administrator to remove maximum prices.

Paragraph (3) of subsection (d) provides that the Price Administrator, with the advance consent in writing of the Price Decontrol Board, may reestablish maximum prices for a nonagricultural commodity which has been decontrolled, if the supply of such commodity is no longer consistent with the applicable decontrol standard.

Paragraph (4) of subsection (d) prohibits the imposition or maintenance of price controls with respect to petroleum or petroleum products processed or manufactured in whole or substantial part from petroleum unless the Price Decontrol Board first determines and certifies in writing to the Administrator that the supply of crude petroleum, or the particular product on which controls are to be imposed or maintained, is insufficient to meet the domestic demand therefor.

Decontrol and other requirements in case of agricultural commodities.—Subsection (e) of the proposed new section 1A contains provisions relating to the removal of maximum prices on agricultural commodities, the adjustment of such maximum prices, and other provisions relating to the administration of maximum prices on agricultural commodities.

Paragraph (1) of this subsection provides that the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which the Secretary determines to be in short supply. An agricultural commodity will be in short supply for the purposes of this section, unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season. No maximum price may be applicable to any agricultural commodity during any calendar month which begins more than 30 days after the enactment of this section, unless such commodity is certified by the Secretary of Agriculture as being in short supply.

Paragraph (2) of subsection (e) provides that whenever the Secretary of Agriculture determines that maximum prices on any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity; and the Price Administrator is required to adjust such maximum prices in accordance with such recommendations. This paragraph (2) also contains a provision relating to the decontrol of agricultural commodities not important in relation to business costs or living costs. The Secretary of Agriculture is directed to recommend to the Price Administrator the removal of maximum prices on such commodities as rapidly as, in the judgment of the Secretary, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect, and he is to recommend the removal of maximum prices on all such unimportant commodities by December 31, 1946. The Administrator is required to remove maximum prices in accordance with such recommendations.

Paragraph (3) of this subsection provides that whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of the Price Control Act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, the reestablishment of price controls with respect to such commodity, and that the Administrator shall reestablish such controls upon such recommendation.

Paragraph (4) of this subsection defines the term "agricultural commodity" to mean (except for purposes of subsection (d) (6)) any agricultural commodity and any food or feed product processed or

manufactured in whole or substantial part from any agricultural commodity.

Paragraph (5) of this subsection (e) provides that the Secretary of Agriculture, in exercising his functions under the Emergency Price Control Act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, except to the extent that a review of his decisions by the Price Decontrol Board is provided for in this section, and that no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. This paragraph also provides that the Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under the Emergency Price Control Act, and that upon the withdrawal of his approval such action shall be rescinded. This provision is related to section 3 (e) of the present law, which requires that written approval of the Secretary of Agriculture be obtained for actions taken under the Price Control Act with respect to agricultural commodities and with respect to regulations, orders, price schedules, and other requirements applicable to processors with respect to food or feed products processed or manufactured in whole or substantial part from agricultural commodities.

Paragraph (6) of this subsection (e) provides that no maximum price and no regulation or order under the Price Control Act or the Stabilization Act shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under the Price Control Act prior to April 1, 1946. This provision will not prevent the restoring of maximum prices in the case of a commodity upon which maximum prices had been in effect prior to April 1, 1946, even though maximum prices upon such commodity had been removed and were not in effect on April 1, 1946, nor will it prevent the maintenance of maximum prices upon a commodity if a regulation or order establishing maximum prices upon such commodity had been issued prior to April 1, 1946, even though such regulation or order did not take effect until after that date. On the other hand, the provision will prohibit other types of regulations and orders as well as maximum prices in the case of any agricultural commodity unless a regulation or order had been issued prior to April 1, 1946, establishing a maximum price on such commodity. Thus, in the case of cotton, the recent order relating to margin requirements for futures trading, although not a maximum price regulation or order, will be made inapplicable because maximum prices with respect to cotton were not established prior to April 1, 1946.

Paragraphs (7) to (11), inclusive, of such subsection (e) specifically decontrol certain specified commodities. They provide that no maximum price and no regulation or order under the Price Control Act or the Stabilization Act shall be applicable with respect to the following commodities:

(1) Livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

(2) Cottonseed, soybeans, or products processed or manufactured in whole or substantial part from cottonseed or soybeans.

(3) Milk or food or feed products processed or manufactured in whole or substantial part from milk.

(4) Grains for which standards have been established under the United States Grain Standards Act, and any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

(5) Leaf tobacco and tobacco products processed or manufactured in whole or substantial part therefrom.

Paragraph (12) of such subsection (e) makes it unlawful for the Administrator, in establishing maximum prices for sales of finished woven fabrics made primarily of cotton fiber or of apparel made therefrom, to establish or maintain differentials in the method of determining the basic grey-goods cost or the finished-woven-fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

Saving provision.—Subsection (f) of the proposed new section 1A provides that nothing in this section shall limit the authority to remove maximum prices at an earlier time than would be required by the section.

Petitions for decontrol.—Subsection (g) of the proposed new section provides that the industry advisory committee appointed under the Price Control Act with respect to a commodity may file a petition for the removal of maximum prices on such commodity, if in the judgment of the committee the standards set forth in this section require the removal of maximum prices for such commodity. Such petitions are to be filed with the Price Administrator in the case of nonagricultural commodities and with the Secretary of Agriculture in the case of agricultural commodities. The petition is to state the grounds upon which the committee believes the removal of maximum prices to be required and is to be accompanied by written evidence in support of the petition. The Administrator or the Secretary of Agriculture, as the case may be, must act upon the petition within 15 days after it is filed. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, must, upon the request of the industry advisory committee, hold a hearing for the further consideration of the petition, and must within 15 days after the hearing make a decision upon the petition. If the petition is denied in whole or in part, such decision must be accompanied by a written statement of the reasons for denying the petition in whole or in part. If the Administrator or the Secretary has not granted the petition after the hearing, the petitioning industry advisory committee may petition the Price Decontrol Board, established under this section, for a review of the action of the Administrator or the Secretary. The special method which is provided in this section for the consideration of petitions for decontrol made by industry advisory committees does not take away or impair any right of any person subject to a maximum price regulation to protest the continued maintenance of maximum prices in accordance with the regular protest provisions of the Price Control Act.

Price Decontrol Board.—Subsection (h) of the proposed new section establishes a Price Decontrol Board as an independent agency in the executive branch of the Government. The Board is to be composed of three members appointed by the President by and with the advice and consent of the Senate. This Board is to have jurisdiction to review decisions of the Price Administrator and the Secretary of

Agriculture in cases where those officers have failed or refused to remove price controls upon the petition of industry advisory committees. Upon such review the Board is to order the removal of maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsections (d) and (e) have been satisfied with respect to the commodity involved. Also, as indicated above, price controls may be reestablished with respect to a commodity from which price controls have been removed only if the Price Decontrol Board gives its written consent to reestablishing such controls. This subsection contains provisions giving the Board such authority as is necessary to enable it to perform its functions and prescribing procedure to be followed with respect to petitions made to the Board.

SECTION 4—ESTABLISHMENT OF REGIONAL INDUSTRY ADVISORY COMMITTEES

Section 4 of the Senate amendment amends section 2 (a) of the Price Control Act by adding a new sentence requiring that in administering the provisions of such section 2 (a), relating to the establishment of industry advisory committees, the Price Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region.

SECTION 5—RENT CEILINGS IN CASE OF HOTELS

Section 5 of the Senate amendment proposes to add a new paragraph to section 2 (b) of the Price Control Act authorizing the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustment of rent ceilings thereon, to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in investment, operation, expenses, and mechanical details of operation. The provision contains a requirement that the Administrator classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourist courts, rooming houses, and boarding houses.

SECTION 6—SUBSIDY OPERATIONS

Section 6 of the Senate amendment contains provisions relating to subsidy operations (including buying for resale at a loss) in the case of the Commodity Credit Corporation and the Reconstruction Finance Corporation.

Subsection (a) provides that the last paragraph of section 2 (e) of the Price Control Act, as amended, shall not apply with respect to such operations for the fiscal year ending June 30, 1947, but such operations are limited as to purpose, amount, and duration by the following provisions:

Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

(1) With respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, \$31,000,000.

(2) With respect to copper, lead, and zinc, in the form of premium price payments, \$100,000,000: *Provided*, That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and

that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and (i) adjustments shall be made to encourage exploration and development work, (ii) adequate allowances shall be made for depreciation and depletion, and (iii) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, \$869,000,000: *Provided*, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than \$629,000,000 during the last six months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended: *Provided*, That subsidies with respect to petroleum produced from stripper wells shall be continued at not to exceed the existing rates. No new subsidy or purchase and sale operations shall be undertaken under the authority of this subparagraph (4), and no change shall be made in the basis of any existing operations for which funds are made available under this subparagraph which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

The premium price plan for copper, lead, and zinc, and the stripper-well subsidies on petroleum would be retroactive to June 30, 1946.

Subsection (b) provides that when any direct or indirect subsidy to an industry is reduced or terminated, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies and differential subsidies to high-cost producers.

Subsection (c) provides that when roll-back subsidies have been in effect, and have been or shall be discontinued, equivalent price increases shall be permitted.

Subsections (d) and (f) contain saving provisions to make it clear that nothing in the section is to affect the operation of certain provisions of law, previously enacted, granting authority to engage in subsidy operations. These are Public Laws 30, 88, 164, 328, and 388 of the Seventy-ninth Congress.

Subsection (e) provides that notwithstanding other provisions of the section, 1946 and 1947 crop program operations with respect to sugar may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. It is provided that for purposes of the section no subsidy program operation on sugar shall be considered to be a new subsidy. A proviso is included that neither the Commodity Credit Corporation nor any other Government agency shall absorb any increase in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946.

SECTION 7—FISH AND SEA-FOOD COMMODITIES

Section 7 of the Senate amendment amends section 2 (i) of the Emergency Price Control Act of 1942, as amended, which now provides that no maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1942. Under the proposed amendment, this subsection will provide that for the purposes of the Price Control Act and the Stabilization Act, fish and other sea foods shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities. However, instead of making applicable to fish and other sea foods the provisions of section 3 of the Stabilization Act of 1942, which establishes for agricultural commodities pricing standards based on parity or the highest price prevailing between January 1, 1942, and September 15, 1942, the amendment provides that the maximum price for any fish or sea-food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942. The amendment will have the effect of making applicable to fish and other sea foods the provisions of section 3 (e) of the Price Control Act relating to securing the written approval of the Secretary of Agriculture, and will also have the effect of making applicable to fish and other sea foods the decontrol standards which are provided for agricultural commodities.

SECTION 8—LIMITING QUANTITY OF PRODUCTS SOLD TO ANY BUYER

Section 8 of the Senate amendment adds to section 2 (j) of the Price Control Act a provision to the effect that nothing in such Act shall be construed as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer. This provision would have the effect of discontinuing and prohibiting such limitations as that contained in Maximum Price Regulation 602, which provides that a manufacturer of nylon hosiery may not distribute a larger percentage of his product to wholesale outlets than he did in the base year, 1941.

SECTION 9—HIGHEST PRICE LINE IN SERVICE ESTABLISHMENTS

Section 9 of the Senate amendment amends section 2 (k) of the Price Control Act so as to make applicable with respect to service establishments the provisions of that subsection which provide that no seller of goods at retail shall be required to limit his sales with reference to any highest price line offered for sale by him at any prior time.

SECTION 10—SUBSECTIONS ADDED TO SECTION 2 OF THE PRICE CONTROL ACT

Section 10 of the Senate amendment proposes to add new subsections (o) to (u), inclusive, at the end of section 2 of the Emergency Price Control Act of 1942.

Control of certain items in restaurants.—The new subsection (o) provides that no maximum price shall be applicable to any item

served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity which is not under price control with respect to sales to such restaurant or other eating establishment, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined by the addition of a customary margin to the acquisition cost of such item.

Maximum average price plan.—The new subsection (p) provides that no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales. This provision will have the effect of eliminating the maximum average price plan under which manufacturers subject to it are restrained from delivering for sale in any quarter goods averaging in price more than the weighted average price of the goods which he delivered for sale in a corresponding previous quarter.

Discounts in certain retail industries.—The new subsection (q) provides that the Administrator shall not reduce established peacetime retail trade discounts or mark-ups or dealer handling charges in the case of certain commodities whose production was discontinued or restricted during the war. This restriction would apply in the case of any retail industry whose principal sales during the calendar years 1939 to 1941, inclusive, consisted of sales of a commodity or commodities whose production or retail distribution was reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction. The restriction contained in this subsection would no longer apply after the retail unit sales of an affected commodity for a period of 6 months have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

Discounts for certain wholesale industries.—The new subsection (r) makes the same kind of provision, except as to dealer handling charges, for wholesalers dealing in the commodities described above in subsection (q) as that subsection makes for retailers dealing in such commodities.

Discounts for certain commodities.—The new subsection (s) provides that no maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such distributive trade were less than the deliveries thereof in the corresponding quarter of 1945. For the purposes of this subsection, all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed under a single regulation are to be treated as a single commodity. The effect of this provision is to require the dealers in farm implements and farm machinery, or in any other commodities to which the subsection may be applicable, be given maximum prices which will allow them the same discounts or mark-ups which they enjoyed during peacetime.

Maximum prices applicable to wholesale or retail distributors.—The new subsection (t) provides that in establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

Certain new commodities.—The new subsection (u) provides that no maximum price shall be established or maintained with respect to any new commodity the use of which, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured, or processed, but the exemption provided for in this subsection is to apply only when the Price Administrator upon application finds that the standards prescribed in the subsection are met. The term "new commodity" is defined to mean a commodity which was not commercially or industrially available prior to January 30, 1942.

SECTION 11—MAXIMUM PRICES IN THE CASE OF PRODUCTS OF A PRODUCING, MANUFACTURING, OR PROCESSING INDUSTRY

This section of the Senate amendment proposes to add a new section 6 after section 5 of the Price Control Act, as amended.

Subsection (a) of the new section provides that for purposes of the section the "base period" shall be the calendar year 1940, or, in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

Subsection (b) prescribes the basic pricing standard to be applicable in those cases where the procedure specified in subsection (i) is complied with, in the case of any product of a producing, manufacturing, or processing industry (including any industry furnishing service or transportation the charges for which are subject to the Administrator's control). This standard requires that no maximum prices shall be established or maintained for any such product which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period. It is provided, however, that the maximum prices for a product shall be deemed in compliance with the standard if such prices on the average are equal to the average current total cost of the product plus the industry's over-all profit margin on sales in the base period. A proviso is included requiring, in the case of logs, lumber, and lumber products, that maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current costs of production. It is provided that the ceiling price of timber used or the current market price shall be considered the cost of such timber.

Subsection (c) provides that for purpose of determining costs the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including reasonable adjustments for conditions resulting from abnormal volume of production.

Subsection (d) provides that maximum prices established under the section shall not be held invalid on account of failure to return his costs to any particular member of any group involved.

Subsection (e) is included to insure that nothing in the section will nullify the power of the Administrator, under section 2 (c) of the Price Control Act, to make reasonable adjustments and exceptions, in individual cases, to prevent undue hardship.

Subsection (f) specifies circumstances under which the section is not to be deemed to require adjustment of maximum prices in accordance with the basic pricing standard set forth in subsection (a). It provides that where the maximum prices of a product on the average equal its average current total costs, adjustment of maximum prices to accord with the standard shall not be required for any period during which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

Subsection (g) defines "product" to mean any major item, or any article different in character from other products of the industry; but all styles, models, or other varieties of any such item or article shall be considered as one product.

Subsection (h) provides that the provisions of the section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

Subsection (i) prescribes the procedure to be followed before the section, in any particular instance, is to require any adjustment in maximum prices or invalidate any maximum price. Any industry advisory committee is authorized to apply to the Administrator for the adjustment of maximum prices applicable to any product in accordance with the standards set forth in the section, and must present with the application comprehensive evidence with respect to costs and prices. The Administrator, on the basis of all evidence available to him, must within 60 days either make the adjustments in maximum prices required by the section or, if he finds that no adjustments are required, deny the application. If within the time specified the Administrator neither makes the adjustments nor denies the application, the industry advisory committee may petition the Emergency Court of Appeals for relief, and such court is given jurisdiction by appropriate order to require the Administrator to make the determination and announcement within such time, not to exceed 30 days, as may be fixed by the court. It is provided that if the Administrator fails to make the determination and announcement within the time fixed no maximum price shall thereafter be applicable with respect to any sale of such product by any seller.

SECTION 12—ENFORCEMENT AMENDMENTS

Section 12 of the Senate amendment relates to the enforcement provisions of section 205 (e) of the act. Subsection (a) prevents the cumulation of the Administrator's claims, except for three times the actual overcharges, where he brings a treble damage action based on overcharges to a number of buyers. Under the present law, the Administrator might sue a grocer for \$5,000 because of 100 overcharges of 10

cents each to 100 different buyers. Under the amendment the maximum recovery in that lawsuit would be \$50. Had the overcharges been 20 cents each, the maximum recovery would be three times the overcharges or \$60.

This subsection also provides that if the defendant in a treble damage action proves that his violation was neither willful nor the result of failure to take practicable precautions against its occurrence the damages assessed shall be the amount of the overcharge. The effect of the amendment is to eliminate in such cases the \$25 minimum prescribed by the present law.

Subsection (b) forbids the Administrator from instituting or maintaining an action if (1) the violation arose because the seller acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration or (2) if the violation arose out of a sale to an agency of the Federal Government or to any public housing authority supervised or financed by such an agency if the sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

The last paragraph of this subsection is designed to forbid the institution or maintenance of an action by the Administrator in a situation like that which has arisen in the work-glove industry. The amendment forbids enforcement action where the Administrator determines (1) that the violation consisted of an apparel manufacturer's selling an item at his published March 1942 price list prices instead of his March 1942 delivered prices and (2) that his customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices.

Section 13 of the Senate amendment amends section 205 (f) of the Emergency Price Control Act, relating to suspensions for violations of the Act. The amendment made by this section provides that no suspension of a license shall be ordered or directed if the person charged with the violation proves that the violation in question was neither willful nor the result of failure to take proper precautions against the occurrence of the violation.

SECTION 14—PRODUCTS MADE FROM COTTON AND WOOL

Section 14 of the Senate amendment proposes to add a new paragraph to section 3 of the Stabilization Act of 1942, as amended. This paragraph relates to maximum prices applicable to manufacturers or processors of products made in whole or major part from cotton or cotton yarn or wool or wool yarn. Under existing law the price standards established in the law must be applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn. This amendment makes it clear that when the current cost of cotton is higher than parity, the current cost must be used in applying such price standards separately to each major item. The amendment also specifies that as to each such major item there shall be added to the cotton cost the weighted average of mill conversion costs and a reasonable profit. This amendment also provides that the pricing standards applicable to major items made in whole or major part from cotton or cotton yarn under this paragraph shall also be applicable to major items made in whole or major part from

wool or wool yarn. It contains a provision defining the reasonable profit as not less than a weighted average profit for each unit of the item in question equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive.

SECTION 15—RELIEF OF FEED SHORTAGES

Section 15 of the Senate amendment provides that the Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is authorized to allocate feed which he controls to feeders of livestock and poultry in domestic areas which he determines to be in an emergency shortage condition with respect to animal and poultry feed.

SECTION 16—GOVERNMENT PURCHASES OF WHEAT

Section 16 of the Senate amendment provides that when producers of wheat are required by the Government, pursuant to the Second War Powers Act of 1942, as amended, to sell all or any part of the wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat which the producers are required to sell. The purchase price to be paid by such corporation in these cases is to be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947. The producer may not elect a date which has occurred prior to the time he makes his election. In this manner the producer is given an opportunity to decide whether or not he wishes to retain the right to profit from any increases which may occur in the market price of wheat before April 1, 1947; but, if he does so, he must assume the risk of loss which will result from any decrease in the market price of wheat prior to such date. Subsection (b) of this section in effect makes the provision described above retroactive until May 24, 1946, when the Government's present wheat purchase program was put into effect. Producers who have sold their wheat under that program prior to the date the provision above described takes effect may, by returning or paying to the Commodity Credit Corporation the sum which they received for their wheat when it was sold, place themselves in the same position as if the provisions of subsection (a) of this section had been in effect at the time when the wheat was sold.

SECTION 17—SHORT TITLE

Section 17 of the Senate amendment contains a short title for the proposed legislation.

SECTION 18—SAVING PROVISIONS

The provisions of section 18 of the Senate amendment have for the most part been explained hereinbefore in the discussion of sections 1 and 2 of such amendment. This section contains, in addition to the provisions there explained, a provision to the effect that in cases where the provisions of this legislation require the Price Administrator to make or permit changes in maximum prices, the Administrator shall have a period of 30 days from the date of enactment within which to comply with such requirements.

SECTION 19—RENT CONTROL UNDER STATE LAW

Section 19 of the Senate amendment provides that whenever a State has established or establishes provisions for control and regulation of the rent of housing accommodations and the governor of the State notifies the Price Administrator that such regulation and control are in effect, no provision of the Price Control Act or regulations, orders, or requirements thereunder (except as to offenses previously permitted) relating to the establishment and maintenance of maximum rents under such act shall be applicable within the State. The section also directs the Administrator to cooperate with any such State to the fullest extent, and directs him to make available to the proper officials of the State records and other information requested by the State to enable it to effectively control and regulate such rents.

SECTION 20—MAXIMUM PRICES IN THE CASE OF PULP WOOD

Section 20 of the Senate amendment proposes to add a proviso at the end of section 3 (a) of the Price Control Act providing that no maximum price shall be imposed on pulpwood in any State at a price less than 100 percent of the highest maximum price established for pulpwood derived from trees of the same genus in any other State, zone, or region, but it is provided that fair and equitable differentials may be established between peeled and rough pulpwood.

THE SUBSTITUTE AGREED TO IN CONFERENCE

The substitute agreed to in conference amends the Price Control Act and the Stabilization Act, as of June 30, 1946, so as to provide for extension of such acts until June 30, 1947, and the provisions included in the conference substitute are similar, in general, to the provisions of the Senate amendment. The conference substitute differs from the Senate amendment in a number of respects, however, and these differences, except for minor and clarifying changes, are explained below:

Decontrol.—As has been explained above, the Senate amendment provided for specific decontrol in the case of certain commodities. Except in the case of petroleum and petroleum products, there would have been no authority for the reestablishment of controls in the case of these commodities. While specific decontrol of all these commodities is retained in the conference substitute (except for products of cottonseed and soybeans other than feed or food products), the standard for recontrol in the case of petroleum and petroleum products is changed, and provisions have been included which would permit the reestablishment of controls in the case of the other named commodities under specified circumstances.

A special provision is included with respect to the following commodities: (1) Livestock, milk, or food or feed products thereof, (2) cottonseed and soybeans, and food or feed products thereof, and (3) grains for which standards have been established under the United States Grain Standards Act, and livestock or poultry feed produced therefrom. This special recontrol provision is contained in paragraph (8) of subsection (e) of the proposed new section 1A of the Price Control Act. Subparagraph (A) of this paragraph provides that price controls shall not be applicable to such commodities prior to August 21, 1946, but it directs the Price Decontrol Board to proceed forthwith to consider whether such commodities shall continue, after August 20,

1946, to be free from price controls. The Board, after opportunity for hearing to affected industries and consumers, is empowered by subparagraph (B) to determine whether or not any such commodity shall be subject to price controls after August 20, 1946. The Board is to direct that such commodity shall not be so regulated unless it finds (1) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946, and (2) that such commodity is in short supply and that its regulation is practicable and enforceable, and (3) that the public interest will be served by such regulation. If in the case of any such commodity the Board fails to direct, on or before August 20, 1946, that such commodity shall not be subject to price controls, it is provided that maximum prices and regulations and orders under the Price Control Act and the Stabilization Act shall be applicable with respect to such commodity. If the Board directs, pursuant to subparagraph (B), that any such commodity shall not be so regulated, the Board may, pursuant to subparagraph (C), subsequently direct that the commodity shall be subject to price controls upon a finding on the basis of a standard similar to that which governs the Board's determination under subparagraph (B). Subparagraph (D) contains a provision permitting the exercise of the Board's decontrol and recontrol powers on a regional basis in the case of milk.

In the case of petroleum and petroleum products, poultry and eggs and food or feed products thereof, and leaf tobacco and products thereof, dealt with in subsection (d) (4) and subsection (e) (7), recontrol is not permissible until after August 20, 1946, and then only under the recontrol standards provided in paragraph 8 (C) of subsection (e).

By paragraph (9) of subsection (e) the Price Decontrol Board is empowered, where maximum prices are in effect with respect to a commodity listed in paragraph (8) (A), to determine whether any subsidy or any part thereof in effect prior to June 30, 1946, shall be reestablished in whole or in part.

Paragraph (10) of subsection (e) provides that whenever maximum prices are in effect for a commodity processed or manufactured in whole or substantial part from any commodity listed in paragraph (8) (A) with respect to which maximum prices are not in effect, no maximum price, and no margin, mark-up, or discount, shall be maintained with respect to such processed or manufactured commodity which does not return to the processors, manufacturers, and distributors thereof (a) the raw material cost (which must be computed at least once every 60 days at not less than the current cost), (b) the conversion or distribution cost, and (c) a reasonable profit.

Maximum prices in the case of products of a producing, manufacturing, or processing industry.—Section 11 of the conference substitute adds a new section 6 to the Price Control Act establishing standards applicable with respect to maximum prices for any product of a producing, manufacturing, or processing industry. This section 6 as included in the conference report is in general similar to the section 6 which the Senate amendment proposed to add to the Price Control Act, but certain important modifications have been made.

An explanation is made elsewhere in this report of the disposition made of the proviso contained in the Senate section relating to maximum prices in the case of logs, lumber, and lumber products.

Subsection (c) of the section in the Senate amendment relating to the determination of costs would have authorized the Administrator to make—

reasonable adjustments for conditions resulting from abnormal volume of production.

In the conference substitute this authority is modified so that in lieu thereof the Administrator would be authorized to make—

adjustments for temporary cost abnormalities which may be reasonably anticipated to be eliminated within the three months following the Administrator's determination, and adjustments for increases in the volume of production which may be reasonably anticipated to be experienced within such three-month period.

Subsection (f) of the section as it appeared in the Senate amendment specified certain circumstances under which the Administrator would not be required to apply the general pricing standard established by the section. It provided that if the maximum prices of a product on the average equal the average current total costs, nothing in the section should require the adjustment of maximum prices for the product for any period during which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products. In the conference substitute this subsection has been modified so that failure to make the adjustments required by the general pricing standard of the section would be permitted, under the circumstances specified, only in cases where the maximum prices of a product, on the average, equal its average current total cost plus a reasonable profit.

Distributor discounts and mark-ups.—The new subsection (t) of section 2 of the Price Control Act added by section 10 of the conference substitute, instead of requiring, as did the Senate amendment, that maximum prices applicable to wholesale or retail distributors shall allow the current cost of acquisition of any commodity plus such percentage discount or mark-up as was in effect on June 29, 1946, requires that such maximum prices shall allow the average current cost of acquisition plus such average percentage discount or mark-up as was in effect on March 31, 1946.

Subsidy operations.—Except for clarifying changes the only differences between section 6 of the Senate amendment and section 6 of the conference substitute, which relate to subsidy and purchase and loss operations of the Commodity Credit Corporation and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1947, are as follows:

(1) The last sentence of section 6 (a) (4) has been rewritten so that instead of expressing the limitations contained therein in terms "new" operations and "existing" operations it provides that—

no subsidy or purchase and sale operation shall be undertaken under authority of this subparagraph (4) with respect to any commodity unless a subsidy or purchase and sale operation with respect to such commodity was in effect on June 29, 1946; and no such operation shall be undertaken under authority of this subparagraph (4) which will increase the rate of subsidy paid or the rate of loss incurred with respect to any commodity above that which would be paid or incurred if the operations in effect on June 29, 1946, had been continued on the same basis.

(2) In subsection (b), relating to price increases required in case of reduction or termination of subsidies, an additional exception is made with respect to subsidies in the form of premium payments under the Veterans' Emergency Housing Act of 1946. Also, the requirement as to increases in maximum prices is made applicable to the case where a commodity is recontrolled and subsidies are not restored or are restored only in part.

(3) A new clause has been added at the end of subsection (f), as follows: "and nothing in this Act or in any other Act shall prohibit the establishment of maximum sales prices or maximum rents for housing accommodations for which materials or facilities are allocated, or priorities for delivery thereof issued, under said Veterans' Emergency Housing Act of 1946."

Section 6 of the conference substitute, by imposing limitations on the amounts which may be used for the fiscal year ending June 30, 1947, for the operations referred to therein, prescribes maximum amounts which will be controlling over any other provision of law which might be construed to authorize the use of funds for such operations.

It is intended, and it is believed to be clear, that the provisions of section 6 shall not limit or affect payments or losses incident to such of the operations of the Commodity Credit Corporation as sales of commodities for export at competitive world prices pursuant to section 21, (e) of the Surplus Property Act of 1944, sales of farm commodities for new or byproduct uses pursuant to section 2 of the act of April 12, 1945 (59 Stat. 50), sales of commodities pursuant to section 2 of the act of April 12, 1945 (59 Stat. 50), which have substantially deteriorated in quality, or of nonbasic perishable commodities where there is danger of loss through waste or spoilage, and loans, purchases, or other price support operations which do not involve supporting prices to producers of agricultural commodities at levels above those reflected by price ceilings, or prevent parity payments or soil conservation payments under existing law or benefits under title III of the Sugar Act of 1937.

That part of the saving provisions of section 18 of the conference substitute providing that regulations, orders, and other requirements under the Price Control Act shall be in effect as though this legislation had been enacted on June 30, 1946, contains a provision, not included in the Senate amendment, to make clear that the Reconstruction Finance Corporation is not required to pay subsidies with respect to meat, flour, or coffee for the period between June 30, 1946, and the date of enactment of this legislation.

Maximum prices in case of woven fabrics of cotton fiber.—Paragraph (12) of subsection (e) of the proposed new section 1A of the Price Control Act, in the Senate amendment, relating to maximum prices in the case of woven fabrics made primarily of cotton fiber, and apparel made therefrom, has been modified to apply also to knitted fabrics made primarily of cotton fiber and apparel made therefrom, and has been placed in section 10 of the conference substitute as new subsection (w) of section 2 of the Price Control Act.

Maximum prices in the case of logs, lumber, and lumber products.—In section 6 of the Price Control Act as proposed to be added to present law by section 11 of the Senate bill there was a proviso requiring, in the case of logs, lumber, and lumber products, that maximum prices shall be established at a level which will permit producers of at least

90 percent of the production thereof to recover their current costs of production. At the end of this proviso was a sentence providing that the ceiling price of timber used or the current market price shall be considered the cost of such timber. This sentence has been omitted from the conference substitute. The remainder of the proviso has been placed in section 10 of the conference substitute as new subsection (v) of section 2 of the Price Control Act, and it has been modified so that it applies only in the case of softwood logs and lumber.

Maximum prices in the case of pulpwood.—Section 20 of the Senate amendment, relating to maximum prices in the case of pulpwood, has not been included in the conference substitute.

Maximum prices in case of certain imported commodities and products processed therefrom.—There has been included in section 10 of the conference substitute, as new subsection (x) of section 2 of the Price Control Act, a provision making it the duty of the Price Administrator, under specified circumstances, to remove or increase maximum prices in the case of certain imported commodities and products processed directly therefrom. This action is required to be taken, in order to maintain and increase domestic production and employment and to make possible the balancing of supply and demand, whenever the world price of a commodity essential to the economy of the United States (average price at which such commodity could be purchased when landed duty paid at any United States port of entry) exceeds the maximum purchase price established by the Administrator, and results in (1) reduction of importation in an amount substantial in relation to the total consumption of the commodity in the United States, or (2) the substantial curtailment or restriction of the domestic trade in such commodity or products processed directly therefrom.

State rent control.—Section 19 of the Senate amendment, intended to provide for discontinuance of Federal rent controls in any State prepared to operate under its own rent control law, has not been included in the conference substitute.

In the amendment to section 2 (b) of the Price Control Act made by section 5 of the conference substitute a new paragraph has been included providing that while maximum rents are in effect under the Price Control Act with respect to housing accommodations in any defense-rental area, such housing accommodations shall not be subject to rent control by any State or local government. One effect of this provision is to make it clear that in any case where, since June 30, 1946, any State has put its own rent control law into operation, the rent provisions of the Price Control Act and the orders and regulations thereunder, within the field of their operation, will supersede such State law. E

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
WILLIAM B. BARRY,
RALPH A. GAMBLE,

Managers on the Part of the House.

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

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HIGHLIGHTS: House agreed to conference report on price-control measure. Sen. Wherry made a report on livestock receipts and prices at major markets. Senate made price-control conference report unfinished business. Rep. White introduced bill to protect forests against insects. President approved 3rd deficiency appropriation and stockpiling bills.

HOUSE

1. PRICE CONTROL. Agreed, 210-142, to the conference report on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts. During the debate agricultural commodities were discussed at several points. (pp. 9894-918.)
2. UNESCO. Received the conference report on H. J. Res. 305, to provide for U. S. participation in the United Nations Educational, Scientific, and Cultural Organization (pp. 9918-9). Senate agreed to the report (p. 9877).
3. PERSONNEL. Agreed to a conference report on H. R. 4718, to amend the Civil Service Retirement Act so as to provide annuities for separated employees at least 55 years of age who have rendered at least 25 years of service (p. 9930). The Senate has not yet acted on the report.
Concurred in the Senate amendment to H. R. 5590, to provide for uniform administration of efficiency ratings (p. 9934). This bill will now be sent to the President.
4. RESEARCH. The Public Lands Committee reported with amendment H. R. 6896, to provide for donation of a tract of land at the Livestock Range Experiment Station, Mont., to Miles City (H. Rept. 2631) (p. 9940).
Concurred in the Senate amendments to H. R. 5911, to establish an Office of Naval Research in the Navy Department (p. 9933). This bill will now be sent to the President.
5. FARM PROGRAM. Rep. Madden, Ind., commended the farm program since 1933 (p. 9936).
6. FLOOD CONTROL. Received from the War Department a survey report on various creeks in Pike County, Ill. (H. Doc. 713) (p. 9940).

7. ALCOHOL; GRAIN. Received various petitions against use of grain for alcohol during the shortage (p. 9941).

SENATE

8. PRICE CONTROL. The conference report on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts, was made the unfinished business (p. 9875).
9. SURPLUS PROPERTY. Passed as reported H. R. 6702, to clarify the rights of former owners of commercial real property to reacquire such property under the Surplus Property Act of 1944 (pp. 9877-8). Senate conferees were appointed (p. 9878).
10. VETERANS. Passed with amendments H. R. 4051, to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave (pp. 9847-75).
11. MINERALS. The Mines and Mining Committee reported without amendment H. R. 4562, to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals (p. 9840).
12. HEALTH. Sen. Donnell, Mo., criticized the release of a report by the Senate Subcommittee on Health and Education endorsing a compulsory national health insurance plan, and claimed that the Subcommittee did not meet to approve the report (pp. 9841-7).
13. LIVESTOCK AND MEAT. Sen. Wherry, Nebr., inserted reports on livestock prices and receipts at major markets and a N. Y. Times editorial concluding that there will be a return of the black market in meat if controls and price ceilings are restored (pp. 9879-80).
Sen. Capper, Kans., inserted a meat packer's letter urging the complete removal of price controls on meat (p. 9840).
14. GRAIN. Sen. Capper, Kans., presented a Kans. citizens' petition favoring H. J. Res. 325, to prevent the use of grain for the manufacture of liquor or for any other nonessential purposes during the period of shortage (p. 9840).
15. ATOMIC ENERGY. Sen. McMahon, Conn., inserted W. A. Higinbotham's (Federation of American Scientists) address favoring world control of atomic energy (pp. 9881-4).

BILLS INTRODUCED

16. FLOOD CONTROL. S. 2469, by Sen. Myers, Pa., authorizing the construction of flood control work on the Lackawaxen River, Pa. To Commerce Committee. (p. 9840)
17. FORESTRY; INSECT CONTROL. H.R. 7111, by Rep. White, Idaho, to provide for the protection of forests against destructive insects and diseases. To Agriculture Committee. (p. 9941.)
18. DAIRY PRODUCTS. H.R. 7114, by Rep. Smith, Va., to amend the act entitled "An Act to regulate within the District of Columbia the sale of milk, cream, and ice cream." To District of Columbia Committee. (p. 9941.)
19. LABOR. H.R. 7108, by Rep. Bieniller (Wis.), H.R. 7110, by Rep. Hefauver (Tenn.), and H.R. 7113, by Rep. Douglas, (Calif.), to promote the general welfare of the people of the U.S. by establishing a publicly supported labor extension program for wage and salary earners. To Labor Committee. (p. 9941.)

Venice. Paraphrasing: "You shall have your bond. Your bond gives you a pound of flesh but not one drop of blood." So what we say to the opponents of this bill: "You shall have your bond. Your bond guarantees your loan—principal and interest. That is your due, your right. The preservation of railway credit requires no less. But you should not get that and the railway, too." What does the Reed bill say? The Reed bill says that no road can come under it that has not produced average annual earnings during the preceding 7 years sufficient to pay the fixed charges during those years.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman.

Mr. GIFFORD. I am greatly interested in one of the roads that the gentleman has mentioned. I wish I were in proper fettle to talk about it. But I would remind the House with reference to the profits that are made by going into bankruptcy that there ought to be a clause such as you and I might have if we were going into business that when we fail we should share the profits equally.

Mr. HOBBS. The gentleman may be right—he frequently is.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I would be delighted to yield to the gentleman for a question.

Mr. WALTER. The gentleman has indicated the small stockholders of these roads can get something out of these earnings. Can the gentleman tell me how, if the New York, New Haven & Hartford owes \$102,000,000 and had \$63,000,000 in cash, how the small stockholder or any other stockholder is going to get a cent? And if that is the fact, then is not the only thing in issue here the control of the road?

Mr. HOBBS. I wish we could base this fight on the New York, New Haven & Hartford Railroad. I am glad to answer the gentleman's question. Of course, we do not have the time now to go into details, but I am glad to answer the gentleman's question. When the Interstate Commerce Commission certified that the holders of common and preferred stock—and there are 1,500,000 shares of stock involved there that are being wiped out and not 300,000—you are still talking about your 50 big holders—they do not hold the majority of the stock; it is the little fellow, the men who have gone in the cabs of those engines and who have invested every dollar of their savings for years in that prime stock of the New York, New Haven & Hartford that has paid dividends for 50 years—they are the ones who own it. Now I will answer your question as to how they hope to get anything out of it. When the ICC declared worthless every dollar invested in common and preferred stock of the New York, New Haven & Hartford Railroad, there was \$4,000,000 in the till at that time.

Mr. WALTER. Yes; but I would like to call attention to the fact that \$4,000,000 was not enough to pay even the liabilities because of accidents on the road.

Mr. HOBBS. If the gentleman will

excuse me, I want to make my own speech.

There was at that time \$4,000,000 to the credit of the stock in the till of the New York, New Haven & Hartford Railroad after paying every bondholder who had a due date and every bondholder was paid every dollar of interest and having paid all the increased operating costs and everything else. They said it was worthless and that it had no hope of coming back and that the earnings of the war years were unusually and abnormally high and could not be considered although by the law we wrote in the Chandler Act we said they should do so as our experts.

Now, after 7 years and more, when the New Haven, that was worthless, certified worthless in 1940, has paid 3.4 times over all of the fixed charges and has accumulated in that till to the credit of the common and preferred stockholders \$34,000,000, they still say it is worthless. I say that they were wrong then, they are wrong now, and if they do not owe but \$102,000,000, they are lucky, because this case history gives them a guaranty of payment if you enact the pending bill into law.

The SPEAKER. The time of the gentleman from Alabama [Mr. HOBBS] has again expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman one additional minute.

Mr. HOBBS. If you enact this bill into law with the amendments added, the Hobbs bill and the McLaughlin bill, under which the Baltimore & Ohio has been reorganized twice, we will write a bill taking the best of the four, and if you, like the gentleman from Pennsylvania [Mr. WALTER] do not want to trust the conferees to do that job, then do not give us the rule. Vote down the rule and kill the bill and who is hurt? Not any member of our subcommittee, not any member of our full committee. They have investigated us through private detectives for seven long years, and we do not own a dime's worth of stock. It will be "no skin off of our backs," but it would kill railway credit and cost Main Street \$2,000,000,000.

The SPEAKER. The time of the gentleman from Alabama has again expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2½ minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, I rise in support of this rule. The Committee on the Judiciary of this House, considered this bill H. R. 5924, word by word, line by line, and paragraph by paragraph.

I am somewhat amazed at the rather excited manner in which the gentleman from Pennsylvania voiced his opposition to the granting of this rule and to the provisions of this bill. A change seems to have come over the spirit of his dreams since we considered this bill in committee, of which he and I are members. He was as unruffled and as placid as a summer sea when we considered it as members of the Judiciary Committee. No such vehement objection was voiced by him to this bill or to any provision of the bill.

This bill simply provides with reference to these railroads that are in the

hands of receivers, in the hands of trustees in bankruptcy, if upon the enactment of this measure any one of them can show to a United States district court judge that for a period of 7 years that railroad has been operated by a trustee in bankruptcy and has met all of its obligations in the ordinary course of business as they have accrued and become due, then, for a period of 18 months, and a longer period, if necessary, under the supervision of a United States district judge, the various security holders, stock holders, and parties in interest may submit a plan of reorganization.

If the plan proposed meets the approval of the court as just and fair to all interested parties, then it goes to the Interstate Commerce Commission to pass upon the sort of securities with which it is refinanced.

I say to you that I am in accord with the gentleman from Alabama [Mr. HOBBS], on this matter. In my opinion this is a fight between Main Street and Wall Street, and this proposed measure will restore these railroads to their owners and to operation by their owners. I believe the rule should be adopted and the measure considered on its merits.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio [Mr. BROWN].

The SPEAKER. The gentleman from Ohio is recognized for 5½ minutes.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I asked and obtained unanimous consent to speak out of order because I want to take this opportunity to express myself on the conference report on price control legislation which will be before this body in a short time, in the space of an hour or so.

In the very beginning I wish to take this opportunity to congratulate my colleagues on the conference committee, the gentleman from Michigan [Mr. WOLCOTT] and the gentleman from Ohio, Dr. SMITH, for having the good judgment, the common sense, and the courage to refuse to sign this conference report which contains, of course, the administration's compromise price control bill.

No one should vote for this legislative monstrosity blindly or without giving careful thought and consideration as to what is offered him.

A vote for this mongrel bill is a vote to put American free enterprise back into the shackles and strait-jackets of bureaucracy and regimentation, for it gives broad and complete dictatorial powers to a few individuals who are in no way directly responsible to the American people.

A vote for this conglomeration of legislative errors means a vote to put 30,000 political pap-suckers back on the pay roll and into the coming fall campaign.

A vote for this ill-conceived legislative measure is a vote for the return of

scarcity, a vote for higher prices next November and December, a vote for the return of the black market, and a vote for fattening the pocketbooks of the favored few.

A vote for this compromise price control bill is a vote against reconversion, a vote for inflation, and a vote in favor of a bigger and quicker "bust."

A vote for this bill is a vote to confound confusion and to bring on greater chaos. It is a vote against the American way of life and another step toward state socialism.

I hope that when the time comes this body will have the courage—and will demonstrate its faith in the free enterprise system—to vote this conference report down.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. PHILLIPS. One of the most difficult problems under this bill will be the control committee. What kind of people will administer this order?

Mr. BROWN of Ohio. I have heard it suggested that probably this special de-control committee to be set up under this bill may be comprised of Chester Bowles, Leon Henderson, and someone from the Political Action Committee, or, perhaps, even less qualified appointees.

Mr. SABATH. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I do not know yet how I am going to vote upon this rule or bill because frankly I have not had sufficient time to study the bill. However, I would like to know why in the closing days of this Congress legislation of this character is brought to the floor when such bills as the Wagner-Ellender housing bill and the wage-hour bill are still bottled up in committees. I think it is a sad commentary upon this Congress when there is so little interest displayed in legislation which is really for the benefit of the majority of the American citizens and we are adjourning without doing anything to implement those measures into law.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SABATH. Mr. Speaker, the two bills referred to by the gentleman are still in committee and the Rules Committee cannot bring in a rule on either of them. I assure the gentleman from Pennsylvania [Mr. BRADLEY] I would be more than pleased to bring in rules on both of those bills.

Mr. Speaker, all I want to say on the rule is that the Interstate Commerce Commission authorized the issuance of these bonds and stocks. Then back in 1935 or thereabouts some gentlemen came in and said, "This is the time to wipe them out because it is suitable to us and can be done easily," and so on the clever misrepresentations of the railroad spokesmen, on the pretense they were wringing out the watered stock, but actually to benefit the big insurance companies and the railroad banking magnates by reducing the liabilities, these bonds and stocks were simply struck out of consideration by a callous bookkeeping entry.

I am not speaking for the railroads or the receivers or the lawyers who have drawn hundreds of thousands of dollars in fees. I am speaking for the hundreds of thousands of small investors who bought their stock on the implied recommendation of the Interstate Commerce Commission, which is now trying to wipe them out. As I remember this matter, the ICC has a formula for determining the financial status of railroads that is not satisfactory to many. It holds that past earnings are not a safe guide as to financial ability, because they have been too low, and present earnings are not a safe guide as to financial ability, because they are abnormally high.

The SPEAKER. The time of the gentleman from Illinois has expired. All time has expired.

The question is on the resolution.

The question was taken, and the Speaker being in doubt, the House divided; and there were—ayes 120, noes 79.

Mr. HOOK. Mr. Speaker, I object to the vote on the ground there is not a quorum present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and fifty-three Members are present, a quorum.

Mr. DIRKSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EMERGENCY PRICE CONTROL ACT, 1942

Mr. SPENCE. Mr. Speaker, I call up the conference report on the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, as I understand, the situation is such that under the rules there would ordinarily be 1 hour of debate on the conference report. In view of the fact that the House has never considered this measure and that the conference report has been made available to the Members only this morning, I wonder if we could not agree upon perhaps 3 hours of debate before a vote is taken.

Mr. SPENCE. Mr. Speaker, this subject has been debated at length. I think the issue is very clear and I certainly do not see any reason for 3 hours of debate.

Mr. McGLINCHEY. Mr. Speaker, I object to any extension of time.

The SPEAKER. There has been no request for an extension of time. The question before the House is the request of the gentleman from Kentucky that the statement of the managers on the

part of the House be read in lieu of the report.

Mr. WOLCOTT. Do I correctly understand, Mr. Speaker, that if objection is made to the reading of the statement in lieu of the report, that in that case the joint resolution will be read and then the statement will be read?

The SPEAKER. If the request made by the gentleman from Kentucky is objected to, then the conference report will be read.

Mr. WOLCOTT. If objection is made to that request, will the resolution be read and then the statement be read?

The SPEAKER. The conference report will be read. The only thing before the House now is the conference report.

Mr. WOLCOTT. In view of the fact that there is no additional time, and it is apparent that no additional time will be granted, I think the Members should have an opportunity to read the joint resolution or hear it read. For that reason, I object.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report. (For conference report and statement, see proceedings of the House of July 22, 1946.)

Mr. O'NEAL (interrupting the reading of the conference report). Mr. Speaker, I ask unanimous consent that further reading of the conference report be dispensed with.

Mr. COLE of Missouri. Mr. Speaker, I object.

(The Clerk concluded the reading of the conference report.)

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read.

Mr. SPENCE. I object, Mr. Speaker.

The SPEAKER. Objection is heard.

Mr. SPENCE. Mr. Speaker, I yield myself 5 minutes.

CALL OF THE HOUSE

Mr. KUNKEL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 233]

Adams	Cravens	Ludlow
Anderson, Calif.	Crawford	McGehee
Andrews, N. Y.	Curley	McKenzie
Baldwin, Md.	Daughton, Va.	McMillan, S. C.
Bates, Mass.	Dawson	Mahon
Beckworth	De Lacy	Maloney
Bell	Delaney,	Mankin
Bennet, N. Y.	John J.	Mansfield,
Boren	Earthman	Mont.
Boykin	Engel, Mich.	Mansfield, Tex.
Bradley, Mich.	Gillespie	May
Bryson	Gore	Miller, Calif.
Bunker	Halleck	Morrison
Cannon, Fla.	Hébert	Norton
Chenoweth	Hendricks	O'Konski
Clippinger	Hill	Pace
Cochran	Holifield	Patterson
Coffey	Izac	Peterson, Ga.
Cole, Kans.	Johnson, Okla.	Priest
Combs	Kefauver	Rains
Cooper	Kerr	Reece, Tenn.
Courtney	Kilburn	Robinson, Utah
Cox	Kilday	Rockwell

Roe, Md.	Sparkman	West
Russell	Stewart	Wickersham
Sasscer	Tolan	Wolfenden, Pa.
Short	Torrens	Wood
Simpson, Pa.	Vinson	
Slaughter	Welch	

The SPEAKER. On this roll call 345 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EMERGENCY PRICE CONTROL ACT, 1942

The SPEAKER. The gentleman from Kentucky [Mr. SPENCE] is recognized.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOLCOTT. Mr. Speaker, would a motion be in order that the time be extended beyond the time allowed under the rule?

The SPEAKER. That motion would not be in order at this time.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include the report of the conferees and the statement of the managers on the part of the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, the issues are so clear in this matter that there is no room for any extended debate. The question is whether or not we shall extend the Price Control and Stabilization Acts for another year from June 30, 1946. We had a clear-cut issue on July 1 as to whether the House wanted to continue the Price Control and Stabilization Acts, and by a vote of 219 to 155 expressed the view that these acts should continue in force and passed the resolution which bears the same number as the present resolution we are considering. This resolution extended the time to July 20 in an endeavor—and it was solely for that purpose—that the Senate and the House might enact a bill that would serve the purposes which we are struggling to achieve. We are considering a resolution which I think in many respects is an improvement upon the first bill passed by the Congress and vetoed by the President. The issue is clear whether you want to continue price control and rent control or whether you want to abandon them.

It would be highly impracticable to continue rent control if you did not continue effective price control. There are so many elements of price and cost that enter into rents that it would be unjust to regulate one without the other. It seems to me there is a very great responsibility and a great burden upon the Congress at this time.

I heard the gentleman from Ohio this morning call the resolution a mongrel bill. Unfortunately price control is something that is not in accordance with the general views and convictions of the

American people. It is restrictive in its nature. It compels the people to give up some rights in order that they may obtain more important ones. It is a shining mark for ridicule and derision. The gentleman called it a mongrel bill.

Eleven of the fourteen conferees signed the conference report. They signed it after long and laborious activity and study. It is a highly involved matter. I do not profess to be an expert in the intricacies and technicalities of price control, but we have brought a resolution back here which I think expresses in many ways the desires of the Congress. There is a Decontrol Board. That is a separate agency of the Government, entirely independent of the price-control organization.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Speaker, I yield myself two additional minutes.

It has within it the power and the authority of the Decontrol Board to decontrol products for which ceilings have been set by the Price Administrator. It has been stated that the price control agencies, being jealous of their authority, did not abandon their control even though it was justified, but certainly that will not be applicable to the Decontrol Board.

I want you to approach this in the light of the importance of the question and the responsibility that is yours. This is an important issue to all the people of America. Looking alone to the interests of my party, I wish you would make it a political issue.

Of course, it is hard to arrive at a just conclusion between the producer and the consumer. The producer knows what he wants, he knows how to obtain it, and he ought to be considered. But there is an unorganized and nonvocal majority of the American people, the consuming public. If you fail to enact this law, they will rise up, I think, in their wrath if prices go where we may expect them to go.

I hope price control may soon be abandoned. I hope we may go back to the old ways of life and that we will need none of these emergency measures. But while we need them, let us maintain them and let them have an opportunity to keep the prices in such a state that the dollar of the American laborer and those who earn their living in the sweat of their brow may buy what they expected to buy, and will prevent in that way labor unrest and an indescribable train of evils.

Under leave granted I herewith insert the conference report and statement of the managers on the part of the House:

EXTENSION OF EMERGENCY PRICE CONTROL ACT AND STABILIZATION ACT

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreements to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out 'June 30, 1946' and substituting 'June 30, 1947.'

"SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out 'June 30, 1946' and substituting 'June 30, 1947.'

"SEC. 3. Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section as follows:

"PURPOSES AND POLICIES IN THE TRANSITION PERIOD

"SEC. 1A. (a) OBJECTIVES.—The Congress hereby affirms—

"(1) that because of abnormally excess spending power in relation to the presently available supply of commodities, rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living and costs of production (including labor costs), for the purposes set forth in section 1 of this Act and for the further purposes of protecting the real value of benefits provided by law for veterans and their dependents, of keeping faith with purchasers of United States War Bonds, and of making possible a successful transition to a peacetime economy of maximum employment, production, and purchasing power under a system of free enterprise;

"(2) that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to such a peacetime economy and would tend to repress and prevent the attainment of this and the other goods herein declared; and

"(3) that adequate prices are necessary stimulants to the production thus desired and the expeditious attainment of said goals.

"(b) DECLARATION OF DECONTROL POLICY.—Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this Act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

"(c) RECOMMENDATIONS BY THE PRESIDENT TO THE CONGRESS.—(1) As soon as practicable after the enactment of this section and in any event on or before January 15, 1947, the President shall recommend to the Congress such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter.

"On or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this Act as to them after June

30, 1947, together with his recommendations as to established departments or agencies of the Government (other than the Office of Price Administration) which should be charged with the administration of such powers.

"(d) DECONTROL OF NONAGRICULTURAL COMMODITIES.—(1) On or before December 31, 1946, the Administrator shall decontrol all nonagricultural commodities not important in relation to business costs or living costs, and prior to that date shall proceed with such decontrol as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. In no event shall maximum prices be maintained after December 31, 1946, for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

"(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefore (including appropriate inventory requirements).

"(3) Whenever, after a reasonable test period, it appears that the supply of a nonagricultural commodity which has been decontrolled is no longer consistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this Act. The supply of a nonagricultural commodity shall be deemed inconsistent with the applicable decontrol standard in any case where the prices of the commodity have risen to and after a reasonable test period remain at unreasonable and inflationary levels.

"(4) Nothing contained in this Act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum or petroleum products processed or manufactured in whole or substantial part from petroleum, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (d), but only under the standards prescribed in paragraph (8) (C) of subsection (e).

"(e) AGRICULTURAL COMMODITIES.—(1) On the first day of the first calendar month which begins more than thirty days after the date of enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which such Secretary determines to be in short supply. Thereafter, on the first day of each succeeding calendar month the Secretary shall certify modifications of such certification by adding other agricultural commodities which have become in short supply and by removing from such certification such commodities which he determines are no longer in short supply. No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than thirty days after the date of enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

"(2) (A) Whenever the Secretary of Agriculture determines that maximum prices applicable to any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity.

"(B) The Secretary of Agriculture by December 31, 1946, shall recommend to the

Price Administrator the removal of maximum prices on all agricultural commodities, whether or not in short supply, not important in relation to business costs or living costs, and prior to that date shall make such recommendations as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect.

"(C) Within ten days after the receipt of any recommendation under this subsection for the adjustment of maximum prices applicable to any agricultural commodity, or for the removal of maximum prices on agricultural commodities not important in relation to business costs or living costs, the Price Administrator shall adjust or remove such maximum prices in accordance with such recommendations.

"(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this Act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purpose of this Act.

"(4) For the purposes of this section (except subparagraph (6) of this subsection (d))—

"(A) an agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season;

"(B) the term "agricultural commodity" shall be deemed to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity;

"(C) the term "subsidy" means any subsidy or purchase and sale operations described in the last paragraph of section 2 (e) of this Act.

"(5) Notwithstanding any other provision of this or any other law, except as provided in subsection (h), the Secretary of Agriculture, in exercising his functions under this Act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, and no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. The Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under this Act, and upon the withdrawal of his approval such action shall be rescinded.

"(6) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any, service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this Act prior to April 1, 1946.

"(7) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable with respect to poultry or eggs or food or feed products processed or manufactured in whole or substantial part therefrom, or in the case of leaf tobacco or tobacco products processed or manufactured in whole or substantial part therefrom, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (e), but only under the standards prescribed in paragraph (8) (C) of this subsection (e).

"(8) (A) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable prior to August 21, 1946, with respect to livestock, milk, or food or feed products processed or manufactured in whole or substantial part from livestock or milk with respect to cottonseed or soybeans, or food or feed products processed or manufactured in whole or substantial part from cottonseed or soybeans; with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

"(B) The Price Decontrol Board shall proceed forthwith to consider whether the commodities listed in subparagraph (A) shall continue, after August 20, 1946, to be free from regulation under this Act and the Stabilization Act of 1942, as amended. Such Board, after due notice of a public hearing and full opportunity for representatives of affected industries and consumers to present their views orally or in writing, shall have power to determine whether or not any commodity listed in subparagraph (A) shall be regulated after August 20, 1946, under this Act and the Stabilization Act of 1942, as amended. Such Board shall direct that any such commodity shall not be so regulated unless it finds—

"(i) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946, and

"(ii) that such commodity is in short supply and that its regulation is practicable and enforceable, and

"(iii) that the public interest will be served by such regulation. If in the case of any commodity listed in subparagraph (A) such Board fails to direct, on or before August 20, 1946, that such commodity shall not be regulated under this Act and the Stabilization Act of 1942, as amended, maximum prices and regulations and orders under such Acts shall be applicable with respect to such commodity without regard to this paragraph (8).

"(C) If in the case of any commodity listed in subparagraph (A) such Board, on or before August 20, 1946, does direct that such commodity shall not be regulated under such Acts, the Board may at any subsequent time direct that such commodity shall be so regulated if it finds:

"(i) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946; and

"(ii) that such commodity is in short supply and that its regulation is practicable and enforceable; and

"(iii) that the public interest will be served by such regulation. Thereafter, the provisions of such Acts and regulations and orders thereunder shall be applicable with respect to such commodity without regard to this paragraph (8).

"(D) In the case of milk, the Board may consider and determine decontrol or recon- trol on a regional basis.

"(9) The Price Decontrol Board shall also have power to determine, when maximum prices are in effect with respect to any commodity listed in paragraph (8) (A), whether any subsidy or any part thereof in effect prior to June 30, 1946, shall be reestablished in whole or in part; and the powers of the Administrator, the Commodity Credit Corporation, and the Reconstruction Finance Corporation to pay subsidies in connection with such commodity shall be limited in accordance with any order of the Board.

"(10) Whenever maximum prices are in effect for any commodity processed or manu-

factured in whole or substantial part from any commodity listed in paragraph (8) (A) with respect to which maximum prices are not in effect, no maximum price, and no margin, mark-up, or discount, shall be maintained with respect to such processed or manufactured commodity which does not return to the processors, manufacturers, and distributors thereof (A) the raw material cost (which must be computed at least once every 60 days at not less than the current cost), (B) the conversion or distribution cost, and (C) a reasonable profit.

"(f) SAVING PROVISION.—Nothing in this section shall limit the Administrator's authority to remove maximum prices for any nonagricultural commodity, or any agricultural commodity with the approval of the Secretary of Agriculture, at an earlier time than would be required by this section, if in his judgment or in the judgment of the Secretary of Agriculture, as the case may be, such action would be consistent with the purposes of this section.

"(g) PETITIONS FOR DECONTROL.—(1) If in the judgment of the industry advisory committee appointed by the Administrator in accordance with section 2 (a) of this Act to advise and consult with respect to a commodity, the standards set forth in this section require the removal of maximum prices for such commodity, it may file a petition for the removal of such maximum prices. In the case of any nonagricultural commodity, such petition shall be filed with the Administrator in accordance with regulations prescribed by him. In the case of agricultural commodities, such petition shall be filed with the Secretary of Agriculture in accordance with regulations prescribed by him and shall request that he make an appropriate certification or recommendation to the Price Administrator. The petition shall specifically state the grounds upon which the committee believes such action to be required and shall be accompanied by affidavits or other written evidence in support thereof.

"(2) Within fifteen days after receiving a petition filed in accordance with the provisions of this subsection, the Administrator or the Secretary of Agriculture, as the case may be, shall either grant the petition or inform the committee in writing why in his judgment the standards for decontrol stated in subsections (d) and (e) have not been satisfied with respect to the commodity involved. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, shall, within ten days after the receipt of a request by the committee for further consideration of its petition, hold a hearing before himself or before a deputy administrator (or, in the case of the Secretary, before such officer as he may designate) at which the committee may present its argument in support of the petition. The Consumers Advisory Committee and the Labor Advisory Committee appointed by the Administrator shall be given notice of any such hearing and an opportunity to present their views with respect to the petition and may, not later than five days prior to such hearing, present in writing evidence relating thereto. Within fifteen days after such hearing, the Administrator or the Secretary, as the case may be, shall either grant the petition in full or furnish the industry advisory committee with a statement in writing of his reasons for denying it in whole or in part together with a statement of any economic data or other facts of which he has taken official notice in connection with such denial.

"(3) At any time within thirty days after the denial in whole or in part, following a hearing, of a petition filed under this subsection, the petitioning industry advisory committee may petition the Price Decontrol Board established under subsection (h) for a review of the action of the Administrator or the Secretary of Agriculture. If the Administrator or the Secretary, as the case may be, fails to act upon a petition within the time

prescribed by paragraph (2), the industry advisory committee may, at any time within thirty days after the expiration of the time so prescribed, petition the Price Decontrol Board for the removal of maximum prices on the commodity involved.

"(4) Nothing in this section shall be construed to take away or impair any right of any person to protest, in accordance with the provisions of sections 203 and 204 of this Act, the further maintenance of maximum prices for a commodity under the standards of subsection (d) or (e): *Provided*, That the filing of such a protest or of a petition under paragraph 3 of this subsection shall not be grounds for staying any proceeding brought pursuant to section 205 of this Act or section 37 of the Criminal Code, and no retroactive effect shall be given to any judgment setting aside a provision of a regulation, order, or price schedule under the standards set forth in this section.

"(h) PRICE DECONTROL BOARD.—(1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall constitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of \$12,000 a year.

"(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board.

"(3) A petition made under subsection (g) (3) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's Secretary's reasons for believing that maximum prices on the commodity involved should not be removed, together with a statement of any economic data or other facts of which he has taken official notice. At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary, as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence, the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing of any peti-

tion, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board. Orders of the Board shall not be subject to modification or review by any other department or agency or by any court.

"(4) No petition may be filed with the Board with respect to any commodity within a period of three months after the issuance of an order of the Board with respect to the same commodity.

"(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which is within the jurisdiction of the Board.

"(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it seems proper upon the record or may conduct a new hearing upon the petition before the Board.

"Sec. 4. Section 2 (a) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new sentence: 'In administering the provisions of this subsection relating to the establishment of industry advisory committees, the Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region.'

"Sec. 5. Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in the investment, operation, expenses, and mechanical details of operation between the transient hotels and the residential and apartment hotels, and is directed to classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourists courts, rooming houses, and boarding houses.

"While maximum rents are in effect under this Act with respect to housing accommodations in any defense-rental area, such housing accommodations shall not be subject to rent control by any State or local government."

"Sec. 6. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of

1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations for the fiscal year ending June 30, 1947, of the Commodity Credit Corporation and the Reconstruction Finance Corporation: *Provided*, That with respect to such corporations and such operations, the making of subsidy payments and buying for resale at a loss shall be limited as follows:

"Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

"(1) With respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, \$81,000,000.

"(2) With respect to copper, lead, and zinc, in the form of premium price payments, \$100,000,000: *Provided*, That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and (i) adjustments shall be made to encourage exploration and development work, (ii) adequate allowances shall be made for depreciation and depletion, and (iii) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

"(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

"(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, \$869,000,000: *Provided*, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than \$629,000,000 during the last six months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period occurring after the date of the enactment of this Act during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended: *Provided*, That subsidies with respect to petroleum produced from stripper wells shall be continued at not to exceed the existing rates. No subsidy or purchase and sale operation shall be undertaken under authority of this subparagraph (4) with respect to any commodity unless a subsidy or purchase and sale operation with respect to such commodity was in effect on June 29, 1946; and no such operation shall be undertaken under authority of this subparagraph (4) which will increase the rate of subsidy paid or the rate of loss incurred with respect to any commodity above that which would be paid or incurred if the operations in effect on June 29, 1946, had been continued on the same basis.

"(b) When any direct or indirect subsidy to an industry is reduced or terminated, or upon reconrol is not restored or is restored only in part, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies, differential subsidies to high-cost producers, and premium payments under authority of the Veterans' Emergency Housing Act of 1946.

"(c) Where roll-back subsidies have previously been or presently are in effect, and have been discontinued, or shall hereafter be discontinued, the industries which have received such subsidies shall be permitted to increase their ceiling prices at least an

amount equivalent to the amount of the discontinued roll-back subsidy. Such price increase shall become effective either upon discontinuance of the roll-back subsidy or upon passage of this Act, whichever date is the later. For the purposes of this paragraph, the term 'roll-back subsidies' means subsidy payments, or purchases and sales of a commodity at a loss by the Government of the United States (including any Government-owned or controlled corporation), or contracts therefor, which resulted directly or indirectly in the lowering of ceiling prices below the maximum price levels established by the Office of Price Administration prior to the institution of the subsidy payments or purchases and sales at a loss, or the execution of the contracts therefor, whichever date is the earlier.

"(d) Nothing in this section shall be construed to affect the provisions of Public Laws 30, 88, 164, and 328 of the Seventy-ninth Congress, or to prevent the use of the sums authorized in such laws to fulfill obligations incurred prior to July 1, 1946, with respect to operations prior to such date.

"(e) Notwithstanding any of the foregoing provisions of this section 6, 1946 and 1947 crop program operations with respect to sugar, may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. For the purpose of this section 6, no subsidy program operation on sugar shall be considered to be a new subsidy: *Provided*, That Commodity Credit Corporation or any other Government agency shall not absorb any increase in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946.

"(f) Nothing in this section shall be construed as a limitation upon operations authorized by the Veterans' Emergency Housing Act of 1946; and nothing in this Act or in any other Act shall prohibit the establishment of maximum sales prices or maximum rents for housing accommodations for which materials or facilities are allocated, or priorities for delivery thereof issued, under said Veterans' Emergency Housing Act of 1946.

"SEC. 7. Section 2 (i) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(i) For the purposes of this Act and the Stabilization Act of 1942, as amended, fish and other sea food shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: *Provided*, That the provisions of section 3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or substantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942."

"SEC. 8. Section 2 (j) of the Emergency Price Control Act of 1942, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: 'or (5) as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer'."

"SEC. 9. Section 2 (k) of the Emergency Price Control Act of 1942, as amended, is amended by inserting the words 'or any operator of any service establishment' after the words 'seller of goods at retail'."

"SEC. 10. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections:

"(o) No maximum price shall be applicable to any item served in any restaurant or other eating establishing if such item consists in whole or major part of a commodity to which no maximum price is applicable with respect to sales to restaurants and other eating establishments, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined, under the applicable maximum price regulation or order, by the addition of a customary margin to the acquisition cost of such item.

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established peacetime retail trade discounts or mark-ups or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of six months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale markup for any such commodity prevailing on March 2, 1942, before the wholesale unit sales of such commodity for a period of six months shall have reached the average annual wholesale unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(s) No maximum price regulation or order shall require the reduction of the established peacetime discounts or markups for the sale of any manufactured or processed commodity (treating as a single commodity for the purposes of this paragraph all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed by the Office of Price Administration under a single regulation) if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such distributive trade were less than 100 per centum of the deliveries thereof in the corresponding quarter of 1945.

"(t) In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow the average current cost of acquisition of any commodity, plus such average percentage discount or markup as was in effect on March 31, 1946.

"(u) After the date upon which this subsection takes effect, no maximum price shall

be established or maintained, under this Act or under any other provision of law, with respect to any new commodity when the Administrator upon application finds that its use, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured or processed. As used in this subsection the term 'new commodity' means a commodity which was not commercially or industrially available prior to January 30, 1942.

"(v) In the case of softwood logs and lumber, the maximum prices shall be established at a level which will permit producers of at least 90 per centum of the production of softwood logs and lumber to recover their current costs of production.

"(w) In establishing maximum prices for sales of finished woven or knitted fabrics made primarily of cotton fiber or for the sales of apparel made therefrom it shall be unlawful for the Administrator to establish or maintain differentials in the method of determining the basic grey-goods cost or the finished-woven fabrics or finished-knitted-fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

"(x) Whenever the world price of a commodity essential to the economy of the United States (average price at which such commodity could be purchased when landed duty paid at any United States port of entry) exceeds the maximum purchase price established by the Administrator, and results in—

"(1) an actual reduction of the importation of such commodity into the United States in an amount substantial in relation to the total consumption of the commodity in the United States; or

"(2) the substantial curtailment or restriction of the domestic trade in such commodity or products processed directly therefrom,

the Administrator shall, in order to maintain and increase domestic production and employment and to make possible the balancing of supply and demand, promptly remove maximum purchase prices from imports of such commodity and maximum prices from products processed directly therefrom, or increase the maximum prices of imports of such commodity and of products processed directly therefrom to the extent necessary to prevent such reduction in importation or curtailment of domestic trade."

"Sec. 11. The Emergency Price Control Act of 1942, as amended, is amended by inserting after section 5 thereof the following new section:

"Sec. 6. (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

"(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry (including any industry furnishing service or transportation the charges for which are subject to the Administrator's control) which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

"(c) For the purpose of determining costs under this section, currently or for the

base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including adjustments for temporary cost abnormalities which may be reasonably anticipated to be eliminated within the three months following the Administrator's determination, and adjustments for increases in the volume of production which may be reasonably anticipated to be experienced within such three-month period.

"(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

"(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this Act.

"(f) If the maximum prices of a product on the average equal its average current total cost plus a reasonable profit, nothing herein shall require any further adjustment of such maximum prices for any period with respect to which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

"(g) As used in this section, 'product' shall mean any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or articles shall be considered as one product.

"(h) The provisions of this section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

"(i) Nothing in this section shall be construed to require any adjustment in maximum prices except pursuant to an application filed under this paragraph, or be construed to invalidate any maximum price unless there is a failure to make adjustments, in accordance with the procedure prescribed in this paragraph, to such extent as may be required to comply with the standards set forth in this section. Any industry advisory committee may apply to the Administrator for the adjustment of the maximum prices applicable to any product in accordance with the standards set forth in this section, and shall present with the application comprehensive evidence with respect to costs and prices. The Administrator shall consider the evidence so presented and all evidence otherwise available to him and, within 60 days after the receipt of such application, he shall make the adjustments in maximum prices required by this section, or, if he finds that no such adjustments are required, he shall deny the application. If the Administrator neither makes the adjustments in the maximum prices for any product required by this section, nor denies the application for such adjustments, within the 60-day period prescribed in this paragraph, the industry advisory committee concerned may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to make such adjustments or deny such application within such time, not to exceed 30 days, as may be fixed by the court. If the Administrator fails to make such adjustments or deny such application within the time so fixed, no maximum price shall thereafter be applicable with respect to any sale of such product by any seller."

"Sec. 12. (a) The second sentence of section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: 'In any action under this subsection,

the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than \$25 nor more than \$50, as the court in its discretion may determine: *Provided, however*, That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation.'

"(b) Section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"The Administrator may not institute any action under this subsection on behalf of the United States, or, if such action has been instituted, the Administrator shall withdraw the same—

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration; or

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, or to any public housing authority whose operations are supervised or financed in whole or in part by any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"The Administrator shall not institute or maintain any enforcement action under this subsection against any manufacturer of apparel items where the Administrator shall determine (1) that the transactions on which such proceeding is based consisted of the manufacturer's selling such an item at his published March 1942 price list prices instead of his March 1942 delivered prices, and (2) that the seller's customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices. The Administrator's determinations under this paragraph shall be subject to review by the Emergency Court of Appeals in accordance with sections 203 and 204."

"Sec. 13. The third sentence of paragraph (2) of section 205 (f) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: 'If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no suspension shall be for a period of more than twelve months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed.'

"Sec. 14. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and

maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive)."

"SEC. 15. The Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is hereby authorized to allocate feed which he controls to feeders of livestock and poultry in domestic areas which he may determine to be in an emergency shortage condition with respect to animal and poultry feed.

"SEC. 16. (a) In the event producers of wheat are required by an order issued pursuant to the Second War Powers Act, 1942, as amended, to sell all or any part of wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat so required to be sold at a price determined as follows: The purchase price paid for the wheat shall be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947, inclusive: *Provided, however,* That only one election may be made for each lot of wheat: *And provided further,* That the producer may not elect a date prior to the date on which he mails a written notice to Commodity Credit Corporation of his election. In the event the producer does not notify Commodity Credit Corporation in writing by March 31, 1947, of his election of a date for determining the market price, such date shall be deemed to be March 31, 1947.

"(b) Any producer of wheat who, prior to the date of enactment of this Act, has sold any wheat pursuant to the requirements of paragraph (ee) (1) of War Food Order Numbered 144, may, at any time within thirty days after the date of enactment of this Act, pay to the Commodity Credit Corporation a sum equal to the amount for which he sold such wheat. Any producer paying any such sum to the Commodity Credit Corporation shall be deemed to have sold and delivered to the Commodity Credit Corporation as of the date he pays such sum a quantity of wheat equal in grade and quality to the quantity of sold by him pursuant to such requirements and the purchase price to be paid to him for such wheat shall be determined in the same manner as in the case of a sale of wheat to the Commodity Credit Corporation pursuant to the provisions of subsection (a) of this section.

"SEC. 17. This Act may be cited as the 'Price Control Extension Act of 1946.'

"SEC. 18. (1) The provisions of this Act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, except regulations or requirements under section 2 (e) thereof relating to meat, flour, or coffee, and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this Act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this Act had been enacted on June 30, 1946: *Provided,* That in any case in which the Emergency Price Control Act of 1942, as amended (except sections 204 and 205), or the Stabilization Act of 1942, as amended (except sections 8 and 9), or any regulation, order,

or requirement under either of such Acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946 to the date of enactment of this Act, both inclusive: *Provided further,* That no act or transaction, or omission or failure to act, occurring subsequent to June 30, 1946, and prior to the date of enactment of this Act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such Acts: *Provided further,* That insofar as the provisions of this Act require the Administrator to make any change in any maximum price, such provisions shall not be deemed to require such change to be made before the thirtieth day following the date of enactment of this Act."

And the Senate agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
WILLIAM B. BARRY,
RALPH A. GAMBLE,

Managers on the Part of the House.

ROBERT F. WAGNER,
ALBEN W. BARKLEY,
GEORGE L. RADCLIFFE,
SHERIDAN DOWNNEY,
CHAS. W. TOBEY,
ROBERT A. TAFT,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

THE JOINT RESOLUTION PASSED BY THE HOUSE

The joint resolution as passed by the House contained only four sections, and its purpose was to provide retroactively for a brief extension of the Price Control Act and the Stabilization Act, without other change. In order to give time for Congress to work out further legislation on the subject.

Sections 1 and 2 provided for continuing the Price Control Act and the Stabilization Act until July 20, 1946.

Section 3 provided for authority in the Commodity Credit Corporation and the Reconstruction Finance Corporation to continue subsidy and purchase and sale operations until July 20, 1946, subject to the limitation that no new operations should be undertaken, and subject to the further limitation that no change should be made in the basis of operations existing on June 29, 1946, which would increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

Section 4 provided that the joint resolution should take effect as of June 30, 1946, the purpose being to insure that the provisions of the two acts and the regulations, orders, and other actions issued or taken thereunder should be considered as not having ceased to be in effect on June 30, 1946; but the section contained an exception to insure that no person would be subject to any suit, action, or prosecution on account of offenses committed subsequent to June 30, 1946, and prior to the date of the enactment of the joint resolution.

THE SENATE AMENDMENT

The Senate amendment is a substitute for all after the resolving clause of the joint resolution passed by the House.

The Senate amendment differs from the joint resolution as passed by the House in that, instead of providing for a temporary extension with a view to working out further legislation, it proposes extension until June 30, 1947, and proposes numerous substantive changes to govern the operation of price controls during the period of extension. Since the substitute agreed to in conference follows the pattern of the Senate amendment, with exceptions hereinafter explained, the provisions of the Senate amendment are outlined in detail below:

Sections 1, 2, and 18—Extension of Price Control Act and Stabilization Act

Sections 1 and 2 of the Senate amendment amend the Price Control Act and the Stabilization Act so as to continue such acts in effect until June 30, 1947. By section 18 these amendments, as well as the other amendments proposed, are made effective as of June 30, 1946, so as to insure that the provisions of these acts will not be considered to have ceased to be in effect on June 30, 1946, and it is provided in section 18 that all regulations, orders, price schedules, and requirements under the Price Control Act and the Stabilization Act which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this legislation had been enacted on June 30, 1946; but a saving provision is included that no act or transaction occurring after June 30, 1946, and prior to the date of enactment of this legislation shall be deemed to be a violation of the Price Control Act or the Stabilization Act, or of any regulation, order, price schedule, or requirement under either of such acts. A provision is also included in section 18 to preserve the status of proceedings, petitions, applications, and protests which were pending on June 30, 1946, but providing, in appropriate cases, that where any period of time was prescribed within which any act was required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period shall be extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this legislation.

Section 3—Decontrol of commodities; price adjustments and administration in case of agricultural commodities

The Senate amendment (by sec. 3) proposes to add after section 1 of the Price Control Act a new section 1A containing declarations of congressional policy regarding termination of price controls and related controls, and prescribing particular standards or requirements with respect to termination of price controls. In addition to its decontrol provisions, it relates to price adjustments and price administration in the case of agricultural commodities. The proposed new section 1A added is explained below.

Objectives: Subsection (a) of this new section states that the rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living, and costs of production; that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to a healthy peacetime economy and would tend to repress and prevent the attainment of the goals stated in the act; and that adequate prices are necessary stimulants to the desired production and the expeditious attainment of said goals.

Declaration of decontrol policy: Subsection (b) of the new section declares the policy of Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and demand in the case of commodities under their control, and that the general control of prices and the use of subsidy powers shall be terminated as rapidly as possible consistent with the policies

and purposes set forth in this section and in no event later than June 30, 1947, and that on that date the Office of Price Administration shall be abolished.

Recommendations by the President: Subsection (c) of the new section provides, in paragraph (1) thereof, that the President shall recommend to the Congress as soon as practicable and in any event on or before January 15, 1947, such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by June 30, 1947, without danger of inflation thereafter. Paragraph (2) of this subsection provides that on or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of price control or rent control as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government which should be charged with the administration of such control.

Decontrol in case of nonagricultural commodities: Subsection (d) of the new section 1A relates to the decontrol of nonagricultural commodities. First, paragraph (1) of this subsection provides for the removal of maximum prices on nonagricultural commodities not important in relation to business costs or living costs. The Price Administrator is directed to proceed with the decontrol of these commodities as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. Maximum prices on all such commodities are to be removed on or before December 31, 1946, and after that date no maximum price may be maintained for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

Paragraph (2) of subsection (d) states a general rule for the removal of maximum prices in the case of nonagricultural commodities, whether or not such commodities are important in relation to business costs or living costs. This rule is that maximum prices shall be promptly removed whenever the supply of a commodity exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements). Under this subsection, it is the duty of the Administrator to remove maximum prices upon his own initiative when the applicable decontrol standards are satisfied; however, provision is made in the later parts of this section for industry advisory committees to petition the Administrator for decontrol when such committees believe that the applicable decontrol standards have been satisfied and, in case of adverse action by the Administrator upon such a petition, further provision is made for an appeal to an Independent Price Decontrol Board which may order the Administrator to remove maximum prices.

Paragraph (3) of subsection (d) provides that the Price Administrator, with the advance consent in writing of the Price Decontrol Board, may reestablish maximum prices for a nonagricultural commodity which has been decontrolled, if the supply of such commodity is no longer consistent with the applicable decontrol standard.

Paragraph (4) of subsection (d) prohibits the imposition or maintenance of price controls with respect to petroleum or petroleum products processed or manufactured in whole or substantial part from petroleum unless the Price Decontrol Board first determines and certifies in writing to the Administrator that the supply of crude petroleum, or the particular product on which controls are to be imposed or maintained, is insuffi-

cient to meet the domestic demand therefor.

Decontrol and other requirements in case of agricultural commodities: Subsection (e) of the proposed new section 1A contains provisions relating to the removal of maximum prices on agricultural commodities, the adjustment of such maximum prices, and other provisions relating to the administration of maximum prices on agricultural commodities.

Paragraph (1) of this subsection provides that the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which the Secretary determines to be in short supply. An agricultural commodity will be in short supply for the purposes of this section, unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season. No maximum price may be applicable to any agricultural commodity during any calendar month which begins more than 30 days after the enactment of this section, unless such commodity is certified by the Secretary of Agriculture as being in short supply.

Paragraph (2) of subsection (e) provides that whenever the Secretary of Agriculture determines that maximum prices on any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity; and the Price Administrator is required to adjust such maximum prices in accordance with such recommendations. This paragraph (2) also contains a provision relating to the decontrol of agricultural commodities not important in relation to business costs or living costs. The Secretary of Agriculture is directed to recommend to the Price Administrator the removal of maximum prices on such commodities as rapidly as, in the judgment of the Secretary, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect, and he is to recommend the removal of maximum prices on all such unimportant commodities by December 31, 1946. The Administrator is required to remove maximum prices in accordance with such recommendations.

Paragraph (3) of this subsection provides that whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of the Price Control Act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, the reestablishment of price controls with respect to such commodity, and that the Administrator shall reestablish such controls upon such recommendation.

Paragraph (4) of this subsection defines the term "agricultural commodity" to mean (except for purposes of subsection (d) (6)) any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity.

Paragraph (5) of this subsection (e) provides that the Secretary of Agriculture, in exercising his functions under the Emergency Price Control Act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, except to the extent that a review of his decisions by the Price Decontrol Board is provided for in this section, and that no such officer or agency shall undertake to exercise any direction of control over the Secretary of Agriculture with respect to the exercise of such functions. This paragraph also provides that the Secretary of Agriculture may at any time with-

draw his approval of any action with respect to which his approval is required under the Emergency Price Control Act, and that upon the withdrawal of his approval such action shall be rescinded. This provision is related to section 3 (e) of the present law, which requires that written approval of the Secretary of Agriculture be obtained for actions taken under the Price Control Act with respect to agricultural commodities and with respect to regulations, orders, price schedules, and other requirements applicable to processors with respect to food or feed products processed or manufactured in whole or substantial part from agricultural commodities.

Paragraph (6) of this subsection (e) provides that no maximum price and no regulation or order under the Price Control Act or the Stabilization Act shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under the Price Control Act prior to April 1, 1946. This provision will not prevent the restoring of maximum prices in the case of a commodity upon which maximum prices had been in effect prior to April 1, 1946, even though maximum prices upon such commodity had been removed and were not in effect on April 1, 1946, nor will it prevent the maintenance of maximum prices upon a commodity if a regulation or order establishing maximum prices upon such commodity had been issued prior to April 1, 1946, even though such regulation or order did not take effect until after that date. On the other hand, the provision will prohibit other types of regulations and orders as well as maximum prices in the case of any agricultural commodity unless a regulation or order had been issued prior to April 1, 1946, establishing a maximum price on such commodity. Thus, in the case of cotton, the recent order relating to margin requirements for futures trading, although not a maximum price regulation or order, will be made inapplicable because maximum prices with respect to cotton were not established prior to April 1, 1946.

Paragraphs (7) to (11), inclusive, of such subsection (e) specifically decontrol certain specified commodities. They provide that no maximum price and no regulation or order under the Price Control Act or the Stabilization Act shall be applicable with respect to the following commodities:

(1) Livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

(2) Cottonseed, soybeans, or products processed or manufactured in whole or substantial part from cottonseed or soybeans.

(3) Milk or food or feed products processed or manufactured in whole or substantial part from milk.

(4) Grains for which standards have been established under the United States Grain Standards Act, and any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

(5) Leaf tobacco and tobacco products processed or manufactured in whole or substantial part therefrom.

Paragraph (12) of such subsection (e) makes it unlawful for the Administrator, in establishing maximum prices for sales of finished woven fabrics made primarily of cotton fiber or of apparel made therefrom, to establish or maintain differentials in the method of determining the basic grey-goods cost or the finished-woven-fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

Saving provision: Subsection (f) of the proposed new section 1A provides that nothing in this section shall limit the authority to remove maximum prices at an earlier time than would be required by the section.

Petitions for decontrol: Subsection (g) of the proposed new section provides that the

industry advisory committee appointed under the Price Control Act with respect to a commodity may file a petition for the removal of maximum prices on such commodity, if in the judgment of the committee the standards set forth in this section require the removal of maximum prices for such commodity. Such petitions are to be filed with the Price Administrator in the case of non-agricultural commodities and with the Secretary of Agriculture in the case of agricultural commodities. The petition is to state the grounds upon which the committee believes the removal of maximum prices to be required and is to be accompanied by written evidence in support of the petition. The Administrator or the Secretary of Agriculture, as the case may be, must act upon the petition within 15 days after it is filed. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, must, upon the request of the industry advisory committee, hold a hearing for the further consideration of the petition, and must within 15 days after the hearing make a decision upon the petition. If the petition is denied in whole or in part, such decision must be accompanied by a written statement of the reasons for denying the petition in whole or in part. If the Administrator or the Secretary has not granted the petition after the hearing, the petitioning industry advisory committee may petition the Price Decontrol Board, established under this section, for a review of the action of the Administrator or the Secretary. The special method which is provided in this section for the consideration of petitions for decontrol made by industry advisory committees does not take away or impair any right of any person subject to a maximum price regulation to protest the continued maintenance of maximum prices in accordance with the regular protest provisions of the Price Control Act.

Price Decontrol Board: Subsection (h) of the proposed new section establishes a Price Decontrol Board as an independent agency in the executive branch of the Government. The Board is to be composed of three members appointed by the President by and with the advice and consent of the Senate. This Board is to have jurisdiction to review decisions of the Price Administrator and the Secretary of Agriculture in cases where those officers have failed or refused to remove price controls upon the petition of industry advisory committees. Upon such review the Board is to order the removal of maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsections (d) and (e) have been satisfied with respect to the commodity involved. Also, as indicated above, price controls may be reestablished with respect to a commodity from which price controls have been removed only if the Price Decontrol Board gives its written consent to reestablishing such controls. This subsection contains provisions giving the Board such authority as is necessary to enable it to perform its functions and prescribing procedure to be followed with respect to petitions made to the Board.

Section 4—Establishment of regional industry advisory committees

Section 4 of the Senate amendment amends section 2 (a) of the Price Control Act by adding a new sentence requiring that in administering the provisions of such section 2 (a), relating to the establishment of industry advisory committees, the Price Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region.

Section 5—Rent ceilings in case of hotels

Section 5 of the Senate amendment proposes to add a new paragraph to section 2 (b) of the Price Control Act authorizing the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustment of rent ceilings thereon, to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in investment, operation, expenses, and mechanical details of operation. The provision contains a requirement that the Administrator classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourist courts, rooming houses, and boarding houses.

ings on hotels or when passing upon applications for adjustment of rent ceilings thereon, to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in investment, operation, expenses, and mechanical details of operation. The provision contains a requirement that the Administrator classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourist courts, rooming houses, and boarding houses.

Section 6—Subsidy operations

Section 6 of the Senate amendment contains provisions relating to subsidy operations (including buying for resale at a loss) in the case of the Commodity Credit Corporation and the Reconstruction Finance Corporation.

Subsection (a) provides that the last paragraph of section 2 (e) of the Price Control Act, as amended, shall not apply with respect to such operations for the fiscal year ending June 30, 1947, but such operations are limited as to purpose, amount, and duration by the following provisions:

"Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

"(1) With respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, \$31,000,000.

"(2) With respect to copper, lead, and zinc, in the form of premium price payments, \$100,000,000: *Provided*, That (A) premiums shall be paid on ores mines or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on term not less favorable to the producer than heretofore and (i) adjustments shall be made to encourage exploration and development work. (ii) adequate allowances shall be made for depreciation and depletion, and (iii) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

"(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

"(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, \$869,000,000: *Provided*, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than \$629,000,000 during the last six months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended: *Provided*, That subsidies with respect to petroleum produced from stripper wells shall be continued at not to exceed the existing rates. No new subsidy or purchase and sale operations shall be undertaken under the authority of this subparagraph (4), and no change shall be made in the basis of any existing operations for which funds are made available under this subparagraph which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity."

The premium price plan for copper, lead, and zinc, and the stripper-well subsidies on petroleum would be retroactive to June 30, 1946.

Subsection (b) provides that when any direct or indirect subsidy to an industry is reduced or terminated, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies and differential subsidies to high-cost producers.

Subsection (c) provides that when roll-back subsidies have been in effect, and have been or shall be discontinued, equivalent price increases shall be permitted.

Subsections (d) and (f) contain saving provisions to make it clear that nothing in the section is to affect the operation of certain provisions of law, previously enacted, granting authority to engage in subsidy operations. These are Public Laws 30, 28, 164, 328, and 388 of the Seventy-ninth Congress.

Subsection (e) provides that notwithstanding other provisions of the section, 1946 and 1947 crop program operations with respect to sugar may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. It is provided that for purposes of the section no subsidy program operation on sugar shall be considered to be a new subsidy. A proviso is included that neither the Commodity Credit Corporation nor any other Government agency shall absorb any increase in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946.

Section 7—Fish and sea-food commodities

Section 7 of the Senate amendment amends section 2 (i) of the Emergency Price Control Act of 1942, as amended, which now provides that no maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1942. Under the proposed amendment, this subsection will provide that for the purposes of the Price Control Act and the Stabilization Act, fish and other sea foods shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities. However, instead of making applicable to fish and other sea foods the provisions of section 3 of the Stabilization Act of 1942, which establishes for agricultural commodities pricing standards based on parity or the highest price prevailing between January 1, 1942, and September 15, 1942, the amendment provides that the maximum price for any fish or sea-food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942. The amendment will have the effect of making applicable to fish and other sea foods the provisions of section 3 (e) of the Price Control Act relating to securing the written approval of the Secretary of Agriculture, and will also have the effect of making applicable to fish and other sea foods the decontrol standards which are provided for agricultural commodities.

Section 8—Limiting quantity of products sold to any buyer

Section 8 of the Senate amendment adds to section 2 (j) of the Price Control Act a provision to the effect that nothing in such Act shall be construed as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer. This provision would have the effect of discontinuing and prohibiting such limitations as that contained in Maximum Price Regulation 602, which provides that a manufacturer of nylon hosiery may not distribute a larger

percentage of this product to wholesale outlets than he did in the base year, 1941.

Section 9—Highest price line in service establishments

Section 9 of the Senate amendment amends section 2 (k) of the Price Control Act so as to make applicable with respect to service establishments the provisions of that subsection which provide that no seller of goods at retail shall be required to limit his sales with reference to any highest price line offered for sale by him at any prior time.

Section 10—Subsections added to section 2 of the Price Control Act

Section 10 of the Senate amendment proposes to add new subsections (o) to (u), inclusive, at the end of section 2 of the Emergency Price Control Act of 1942.

Control of certain items in restaurants: The new subsection (o) provides that no maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity which is not under price control with respect to sales to such restaurant or other eating establishment, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined by the addition of a customary margin to the acquisition cost of such item.

Maximum average price plan: The new subsection (p) provides that no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales. This provision will have the effect of eliminating the maximum average price plan under which manufacturers subject to it are restrained from delivering for sale in any quarter goods averaging in price more than the weighted average price of the goods which he delivered for sale in a corresponding previous quarter.

Discounts in certain retail industries: The new subsection (q) provides that the Administrator shall not reduce established peacetime retail trade discounts or mark-ups or dealer handling charges in the case of certain commodities whose production was discontinued or restricted during the war. This restriction would apply in the case of any retail industry whose principal sales during the calendar years 1939 to 1941, inclusive, consisted of sales of a commodity or commodities whose production or retail distribution was reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction. The restriction contained in this subsection would no longer apply after the retail unit sales of an affected commodity for a period of 6 months have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

Discounts for certain wholesale industries: The new subsection (r) makes the same kind of provision, except as to dealer handling charges, for wholesalers dealing in the commodities described above in subsection (q) as that subsection makes for retailers dealing in such commodities.

Discounts for certain commodities: The new subsection (s) provides that no maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such

distributive trade were less than the deliveries thereof in the corresponding quarter of 1945. For the purposes of this subsection, all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed under a single regulation are to be treated as a single commodity. The effect of this provision is to require the dealers in farm implements and farm machinery, or in any other commodities to which the subsection may be applicable, be given maximum prices which will allow them the same discounts or mark-ups which they enjoyed during peacetime.

Maximum prices applicable to wholesale or retail distributors: The new subsection (t) provides that in establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

Certain new commodities: The new subsection (u) provides that no maximum price shall be established or maintained with respect to any new commodity the use of which, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured, or processed, but the exemption provided for in this subsection is to apply only when the Price Administrator upon application finds that the standards prescribed in the subsection are met. The term "new commodity" is defined to mean a commodity which was not commercially or industrially available prior to January 30, 1942.

Section 11—Maximum prices in the case of products of a producing, manufacturing, or processing industry

This section of the Senate amendment proposes to add a new section 6 after section 5 of the Price Control Act, as amended.

Subsection (a) of the new section provides that for purposes of the section the "base period" shall be the calendar year 1940, or, in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

Subsection (b) prescribes the basic pricing standard to be applicable in those cases where the procedure specified in subsection (1) is complied with, in the case of any product of a producing, manufacturing, or processing industry (including any industry furnishing service or transportation the charges for which are subject to the Administrator's control). This standard requires that no maximum prices shall be established or maintained for any such product which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period. It is provided, however, that the maximum prices for a product shall be deemed in compliance with the standard if such prices on the average are equal to the average current total cost of the product plus the industry's over-all profit margin on sales in the base period. A proviso is included requiring, in the case of logs, lumber, and lumber products, that maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current costs of production. It is provided that the ceiling price of timber used or the current market price shall be considered the cost of such timber.

Subsection (c) provides that for purpose of determining costs the Administrator shall

ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including reasonable adjustments for conditions resulting from abnormal volume of production.

Subsection (d) provides that maximum prices established under the section shall not be held invalid on account of failure to return his costs to any particular member of any group involved.

Subsection (e) is included to insure that nothing in the section will nullify the power of the Administrator, under section 2 (c) of the Price Control Act, to make reasonable adjustments and exceptions, in individual cases, to prevent undue hardship.

Subsection (f) specifies circumstances under which the section is not to be deemed to require adjustment of maximum prices in accordance with the basic pricing standard set forth in subsection (a). It provides that where the maximum prices of a product on the average equal its average current total costs, adjustment of maximum prices to accord with the standard shall not be required for any period during which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

Subsection (g) defines "product" to mean any major item, or any article different in character from other products of the industry; but all styles, models, or other varieties of any such item or article shall be considered as one product.

Subsection (h) provides that the provisions of the section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

Subsection (i) prescribes the procedure to be followed before the section, in any particular instance, is to require any adjustment in maximum prices or invalidate any maximum price. Any industry advisory committee is authorized to apply to the Administrator for the adjustment of maximum prices applicable to any product in accordance with the standards set forth in the section, and must present with the application comprehensive evidence with respect to costs and prices. The Administrator, on the basis of all evidence available to him, must within 60 days either make the adjustments in maximum prices required by the section or, if he finds that no adjustments are required, deny the application. If within the time specified the Administrator neither makes the adjustments nor denies the application, the industry advisory committee may petition the Emergency Court of Appeals for relief, and such court is given jurisdiction by appropriate order to require the Administrator to make the determination and announcement within such time, not to exceed 30 days, as may be fixed by the court. It is provided that if the Administrator fails to make the determination and announcement within the time fixed no maximum price shall thereafter be applicable with respect to any sale of such product by any seller.

Section 12—Enforcement amendments

Section 12 of the Senate amendment relates to the enforcement provisions of section 205 (e) of the act. Subsection (a) prevents the cumulation of the Administrator's claims, except for three times the actual overcharges, where he brings a treble damage action based on overcharges to a number of buyers. Under the present law, the Administrator might sue a grocer for \$5,000 because of 100 overcharges of 10 cents each to 100 different buyers. Under the amendment

the maximum recovery in that lawsuit would be \$50. Had the overcharges been 20 cents each, the maximum recovery would be three times the overcharges or \$60.

This subsection also provides that if the defendant in a treble damage action proves that his violation was neither willful nor the result of failure to take practicable precautions against its occurrence the damages assessed shall be the amount of the overcharge. The effect of the amendment is to eliminate in such cases the \$25 minimum prescribed by the present law.

Subsection (b) forbids the Administrator from instituting or maintaining an action if (1) the violation arose because the seller acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration or (2) if the violation arose out of a sale to an agency of the Federal Government or to any public housing authority supervised or financed by such an agency if the sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

The last paragraph of this subsection is designed to forbid the institution or maintenance of an action by the Administrator in a situation like that which has arisen in the work-glove industry. The amendment forbids enforcement action where the Administrator determines (1) that the violation consisted of an apparel manufacturer's selling an item at his published March 1942 price list prices instead of his March 1942 delivered prices and (2) that his customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices.

Section 13 of the Senate amendment amends section 205 (f) of the Emergency Price Control Act, relating to suspensions for violations of the Act. The amendment made by this section provides that no suspension of a license shall be ordered or directed if the person charged with the violation proves that the violation in question was neither willful nor the result of failure to take proper precautions against the occurrence of the violation.

Section 14—Products made from cotton and wool

Section 14 of the Senate amendment proposes to add a new paragraph to section 3 of the Stabilization Act of 1942, as amended. This paragraph relates to maximum prices applicable to manufacturers or processors of products made in whole or major part from cotton or cotton yarn or wool or wool yarn. Under existing law the price standards established in the law must be applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn. This amendment makes it clear that when the current cost of cotton is higher than parity, the current cost must be used in applying such price standards separately to each major item. The amendment also specifies that as to each such major item there shall be added to the cotton cost the weighted average of mill conversion costs and a reasonable profit. This amendment also provides that the pricing standards applicable to major items made in whole or major part from cotton or cotton yarn under this paragraph shall also be applicable to major items made in whole or major part from wool or wool yarn. It contains a provision defining the reasonable profit as not less than a weighted average profit for each unit of the item in question equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive.

Section 15—Relief of feed shortages

Section 15 of the Senate amendment provides that the Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is authorized to allocate feed

which he controls to feeders of livestock and poultry in domestic areas which he determines to be in an emergency shortage condition with respect to animal and poultry feed.

Section 16—Government purchases of wheat

Section 16 of the Senate amendment provides that when producers of wheat are required by the Government, pursuant to the Second War Powers Act of 1942, as amended, to sell all or any part of the wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat which the producers are required to sell. The purchase price to be paid by such corporation in these cases is to be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947. The producer may not elect a date which has occurred prior to the time he makes his election. In this manner the producer is given an opportunity to decide whether or not he wishes to retain the right to profit from any increases which may occur in the market price of wheat before April 1, 1947; but, if he does so, he must assume the risk of loss which will result from any decrease in the market price of wheat prior to such date. Subsection (b) of this section in effect makes the provision described above retroactive until May 24, 1946, when the Government's present wheat purchase program was put into effect. Producers who have sold their wheat under that program prior to the date the provision above described takes effect may, by returning or paying to the Commodity Credit Corporation the sum which they received for their wheat when it was sold, place themselves in the same position as if the provisions of subsection (a) of this section had been in effect at the time when the wheat was sold.

Section 17—Short title

Section 17 of the Senate amendment contains a short title for the proposed legislation.

Section 18—Savings provisions

The provisions of section 18 of the Senate amendment have for the most part been explained hereinbefore in the discussion of sections 1 and 2 of such amendment. This section contains, in addition to the provisions there explained, a provision to the effect that in cases where the provisions of this legislation require the Price Administrator to make or permit changes in maximum prices, the Administrator shall have a period of 30 days from the date of enactment within which to comply with such requirements.

Section 19—Rent control under State law

Section 19 of the Senate amendment provides that whenever a State has established or establishes provisions for control and regulation of the rent of housing accommodations and the governor of the State notifies the Price Administrator that such regulation and control are in effect, no provision of the Price Control Act or regulations, orders, or requirements thereunder (except as to offenses previously permitted) relating to the establishment and maintenance of maximum rents under such act shall be applicable within the State. The section also directs the Administrator to cooperate with any such State to the fullest extent, and directs him to make available to the proper officials of the State records and other information requested by the State to enable it to effectively control and regulate such rents.

Section 20—Maximum prices in the case of pulpwood

Section 20 of the Senate amendment proposes to add a proviso at the end of section 3 (a) of the Price Control Act providing that no maximum price shall be imposed on pulpwood in any State at a price less than 100 percent of the highest maximum price estab-

lished for pulpwood derived from trees of the same genus in any other State, zone, or region, but it is provided that fair and equitable differentials may be established between peeled and rough pulpwood.

THE SUBSTITUTE AGREED TO IN CONFERENCE

The substitute agreed to in conference amends the Price Control Act and the Stabilization Act, as of June 30, 1946, so as to provide for extension of such acts until June 30, 1947, and the provisions included in the conference substitute are similar, in general, to the provisions of the Senate amendment. The conference substitute differs from the Senate amendment in a number of respects, however, and these differences, except for minor and clarifying changes, are explained below:

Decontrol: As has been explained above, the Senate amendment provided for specific decontrol in the case of certain commodities. Except in the case of petroleum and petroleum products, there would have been no authority for the reestablishment of controls in the case of these commodities. While specific decontrol of all these commodities is retained in the conference substitute (except for products of cottonseed and soybeans other than feed or food products), the standard for reconrol in the case of petroleum and petroleum products is changed, and provisions have been included which would permit the reestablishment of controls in the case of the other named commodities under specified circumstances.

A special provision is included with respect to the following commodities: (1) Livestock, milk, or food or feed products thereof, (2) cottonseed and soybeans, and food or feed products thereof, and (3) grains for which standards have been established under the United States Grain Standards Act, and livestock or poultry feed produced therefrom. This special reconrol provision is contained in paragraph (8) of subsection (e) of the proposed new section 1A of the Price Control Act. Subparagraph (A) of this paragraph provides that price controls shall not be applicable to such commodities prior to August 21, 1946, but it directs the Price Decontrol Board to proceed forthwith to consider whether such commodities shall continue, after August 20, 1946, to be free from price controls. The Board, after opportunity for hearing to affected industries and consumers, is empowered by subparagraph (B) to determine whether or not any such commodity shall be subject to price controls after August 20, 1946. The Board is to direct that such commodity shall not be so regulated unless it finds (1) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946, and (2) that such commodity is in short supply and that its regulation is practicable and enforceable, and (3) that the public interest will be served by such regulation. If in the case of any such commodity the Board fails to direct, on or before August 20, 1946, that such commodity shall not be subject to price controls, it is provided that maximum prices and regulations and orders under the Price Control Act and the Stabilization Act shall be applicable with respect to such commodity. If the Board directs, pursuant to subparagraph (B), that any such commodity shall not be so regulated, the Board may, pursuant to subparagraph (C), subsequently direct that the commodity shall be subject to price controls upon a finding on the basis of a standard similar to that which governs the Board's determination under subparagraph (B). Subparagraph (D) contains a provision permitting the exercise of the Board's decontrol and reconrol powers on a regional basis in the case of milk.

In the case of petroleum and petroleum products, poultry and eggs and food or feed products thereof, and leaf tobacco and products thereof, dealt with in subsection (d)

(4) and subsection (e) (7), recontrol is not permissible until after August 20, 1946, and then only under the recontrol standards provided in paragraph 8 (C) of subsection (e).

By paragraph (9) of subsection (e) the Price Decontrol Board is empowered, where maximum prices are in effect with respect to a commodity listed in paragraph (8) (A), to determine whether any subsidy or any part thereof in effect prior to June 30, 1946, shall be reestablished in whole or in part.

Paragraph (10) of subsection (e) provides that whenever maximum prices are in effect for a commodity processed or manufactured in whole or substantial part from any commodity listed in paragraph (8) (A) with respect to which maximum prices are not in effect, no maximum price, and no margin, mark-up, or discount, shall be maintained with respect to such processed or manufactured commodity which does not return to the processors, manufacturers, and distributors thereof (a) the raw material cost (which must be computed at least one every 60 days at not less than the current cost), (b) the conversion or distribution cost, and (c) a reasonable profit.

Maximum prices in the case of products of a producing, manufacturing, or processing industry: Section 11 of the conference substitute adds a new section 6 to the Price Control Act establishing standards applicable with respect to maximum prices for any product of a producing, manufacturing, or processing industry. This section 6 as included in the conference report is in general similar to the section 6 which the Senate amendment proposed to add to the Price Control Act, but certain important modifications have been made.

An explanation is made elsewhere in this report of the disposition made of the proviso contained in the Senate section relating to maximum prices in the case of logs, lumber, and lumber products.

Subsection (c) of the section in the Senate amendment relating to the determination of costs would have authorized the Administrator to make "reasonable adjustments for conditions resulting from abnormal volume of production."

In the conference substitute this authority is modified so that in lieu thereof the Administrator would be authorized to make "adjustments for temporary cost abnormalities which may be reasonably anticipated to be eliminated within the three months following the Administrator's determination, and adjustments for increases in the volume of production which may be reasonably anticipated to be experienced within such three-month period."

Subsection (f) of the section as it appeared in the Senate amendment specified certain circumstances under which the Administrator would not be required to apply the general pricing standard established by the section. It provided that if the maximum prices of a product on the average equal the average current total costs, nothing in the section should require the adjustment of maximum prices for the product for any period during which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products. In the conference substitute this subsection has been modified so that failure to make the adjustments required by the general pricing standard of the section would be permitted, under the circumstances specified, only in cases where the maximum prices of a product, on the average, equal its average current total cost plus a reasonable profit.

Distributor discounts and mark-ups: The new subsection (t) of section 2 of the Price Control Act added by section 10 of the conference substitute, instead of requiring, as did the Senate amendment, that maximum prices applicable to wholesale or retail distributors shall allow the current cost of

acquisition of any commodity plus such percentage discount or mark-up as was in effect on June 29, 1946, requires that such maximum prices shall allow the average current cost of acquisition plus such average percentage discount or mark-up as was in effect on March 31, 1946.

Subsidy operations: Except for clarifying changes the only differences between section 6 of the Senate amendment and section 6 of the conference substitute, which relate to subsidy and purchase and loss operations of the Commodity Credit Corporation and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1947, are as follows:

(1) The last sentence of section 6 (a) (4) has been rewritten so that instead of expressing the limitations contained therein in terms "new" operations and "existing" operations it provides that—"no subsidy or purchase and sale operation shall be undertaken under authority of this subparagraph (4) with respect to any commodity unless a subsidy or purchase and sale operation with respect to such commodity was in effect on June 29, 1946; and no such operation shall be undertaken under authority of this subparagraph (4) which will increase the rate of subsidy paid or the rate of loss incurred with respect to any commodity above that which would be paid or incurred if the operations in effect on June 29, 1946, had been continued on the same basis."

(2) In subsection (b), relating to price increases required in case of reduction or termination of subsidies, an additional exception is made with respect to subsidies in the form of premium payments under the Veterans' Emergency Housing Act of 1946. Also, the requirement as to increases in maximum prices is made applicable to the case where a commodity is recontrolled and subsidies are not restored or are restored only in part.

(3) A new clause has been added at the end of subsection (f), as follows: "and nothing in this Act or in any other Act shall prohibit the establishment of maximum sales prices or maximum rents for housing accommodations for which materials or facilities are allocated, or priorities for delivery thereof issued, under said Veterans' Emergency Housing Act of 1946."

Section 6 of the conference substitute, by imposing limitations on the amounts which may be used for the fiscal year ending June 30, 1947, for the operations referred to therein, prescribes maximum amounts which will be controlling over any other provision of law which might be construed to authorize the use of funds for such operations.

It is intended, and it is believed to be clear, that the provisions of section 6 shall not limit or affect payments or losses incident to such of the operations of the Commodity Credit Corporation as sales of commodities for export at competitive world prices pursuant to section 21 (c) of the Surplus Property Act of 1944, sales of farm commodities for new or byproduct uses pursuant to section 2 of the act of April 12, 1945 (59 Stat. 50), sales of commodities pursuant to section 2 of the act of April 12, 1945 (59 Stat. 50), which have substantially deteriorated in quality, or of nonbasic perishable commodities where there is danger of loss through waste or spoilage, and loans, purchases, or other price support operations which do not involve supporting prices to producers of agricultural commodities at levels above those reflected by price ceilings, or prevent parity payments of soil-conservation payments under existing law or benefits under title III of the Sugar Act of 1937.

That part of the saving provisions of section 18 of the conference substitute providing that regulations, orders, and other requirements under the Price Control Act shall be in effect as though this legislation had been enacted on June 30, 1946, contains a provision not included in the Senate amendment, to

make clear that the Reconstruction Finance Corporation is not required to pay subsidies with respect to meat, flour, or coffee for the period between June 30, 1946, and the date of enactment of this legislation.

Maximum prices in case of woven fabrics of cotton fiber. Paragraph (12) of subsection (e) of the proposed new section 1A of the Price Control Act, in the Senate amendment, relating to maximum prices in the case of woven fabrics made primarily of cotton fiber, and apparel made therefrom, has been modified to apply also to knitted fabrics made primarily of cotton fiber and apparel made therefrom, and has been placed in section 10 of the conference substitute as new subsection (w) of section 2 of the Price Control Act.

Maximum prices in the case of logs, lumber, and lumber products: In section 6 of the Price Control Act as proposed to be added to present law by section 11 of the Senate bill there was a proviso requiring, in the case of logs, lumber, and lumber products, that maximum prices shall be established at a level which will permit producers of at least 90 percent of the production thereof to recover their current costs of production. At the end of this proviso was a sentence providing that the ceiling price of timber used or the current market price shall be considered the cost of such timber. This sentence has been omitted from the conference substitute. The remainder of the proviso has been placed in section 10 of the conference substitute as new subsection (v) of section 2 of the Price Control Act, and it has been modified so that it applies only in the case of softwood logs and lumber.

Maximum prices in the case of pulpwood: Section 20 of the Senate amendment, relating to maximum prices in the case of pulpwood, has not been included in the conference substitute.

Maximum prices in case of certain commodities and products processed therefrom: There has been included in section 10 of the conference substitute, as new subsection (x) of section 2 of the Price Control Act, a provision making it the duty of the Price Administrator, under specified circumstances, to remove or increase maximum prices in the case of certain imported commodities and products processed directly therefrom. This action is required to be taken, in order to maintain and increase domestic production and employment and to make possible the balancing of supply and demand, whenever the world price of a commodity essential to the economy of the United States (average price at which such commodity could be purchased when landed duty paid at any United States port of entry) exceeds the maximum purchase price established by the Administrator, and results in (1) reduction of importation in an amount substantial in relation to the total consumption of the commodity in the United States, or (2) the substantial curtailment or restriction of the domestic trade in such commodity or products processed directly therefrom.

State rent control: Section 19 of the Senate amendment, intended to provide for discontinuance of Federal rent controls in any State prepared to operate under its own rent control law, has not been included in the conference substitute.

In the amendment to section 2 (b) of the Price Control Act made by section 5 of the conference substitute a new paragraph has been included providing that while maximum rents are in effect under the Price Control Act with respect to housing accommodations in any defense-rental area, such housing accommodations shall not be subject to rent control by any State or local government. One effect of this provision is to make it clear that in any case where, since June 30, 1946, any State has put its own rent control law into operation, the rent provisions of the Price Control Act and the orders and regulations thereunder, within the field

of their operation, will supersede such State law.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
WILLIAM B. BARRY,
RALPH A. GAMBLE,

Managers on the Part of the House.

Mr. SPENCE. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, we started out some weeks ago to correct a situation which was disrupting and very harmful to the economy of the Nation. It was our objective then to get full production as the only panacea for economic chaos. We succeeded in the bill which the President vetoed in providing that price controls be continued, and provided also that even though price controls were continued we would get a maximum amount of production of all commodities. When the President vetoed that bill, he, of course, eliminated all price controls which were in existence at that time or would have been put into effect under the bill which he vetoed.

I objected to the immediate consideration of a continuing resolution for 20 days, thinking that the Committee on Banking and Currency might have an opportunity to sit and do something with it. That was objected to. The Committee on Banking and Currency was bypassed and a rule was granted for the consideration of that bill. It passed and went to the Senate, and the Senate wrote in not only the specific decontrols which were deleted from the original bill but many others. So the bill has gone to conference and has come back to us. It is my studied opinion that this bill which is before the House today cannot be administered without very serious consequences to our economy generally. For that reason I did not sign the conference report. Prices cannot be controlled under this bill and production cannot be assured under the bill. I might say that briefly it may be put this way.

This is a bill not to control prices but to continue the control of our economy. I do not want to have any part of the inevitable economic confusion which will result from even an attempt to put this law into effect. In 10 minutes I cannot begin to cover one-third of the points which could be brought out in proof of the statement I have made. But I sat up rather late last night trying to get some things together which I thought might be helpful to the House. I found that in respect to reconrol there were three different standards. I do not have the time to name them. You can read them in the bill. The bill was read and you probably picked them out as the Clerk was reading. I found there were six standards in the bill for the fixation of prices. I do want to call your attention to some of these, but before I do so for fear that my time will run out I want to say that one of the most disrupting influences in our economy is the uncertainty under which agriculture and industry will be forced to operate if this bill is signed by the President. First, the agricultural prices can be adjusted every 30 days so that no farmer and no proc-

essor of an agricultural commodity and no wholesaler or distributor will know from one 30-day period to another what the prices of any agricultural commodity are going to be. The prices of agricultural commodities and the supplies of agricultural commodities have a direct bearing upon whether the wheels of industry turn. If industry does not know from one month to the next what they have to pay for their raw materials which go into the finished products, then, of course, industry will hesitate to buy, and you confuse further the economy of our country by confusing the man in industry on what he may expect in raw material prices.

Then as August 20 approaches you are bound to dry up your sources of supply for all of the agricultural commodities which have been decontrolled by the Senate and which automatically go back under control by August 20 unless the decontrol board acts to the contrary. Who is going to buy meat and dairy products and the other things mentioned in the categories starting with meat on August 10 or August 5 without any assurance that he is going to empty his shelves of that commodity at a higher price before August 20? Of course, you cannot expect them to buy and fill up their shelves and fill out their inventories under a high price unless they are absolutely sure they are going to be able to get rid of them by the 20th of August. Those are just a couple of things. Let me tell you what has been done with respect to the confusion incident to the fixation of prices. Products manufactured and processed from meat, if the meat is not controlled, are determined by the current raw material price plus conversion and distribution costs plus a reasonable price. That is the formula we wanted to apply right straight across the board, but which they have applied to processed articles, meat, and so forth, provided the meat is not under control. The fact as to whether a processed article is a major item or not does not make any difference. In respect to the major items of cotton and woolsens, we apply another price—the current cost or parity, whichever is higher, plus a weighted average of mill conversion costs, plus a reasonable profit. That applies to only the major items.

That is the formula which was contained in the original Wolcott amendment, but it is applied now to cotton, and it is applied to woolsens. It is not applied to industrial commodities, which will result, of course, in a great deal of confusion, because the fabrics, in some instances, upon which certain phases of our industry are wholly dependent are included. But when meat, and commodities in the categories of meat, is under control, then those processed commodities manufactured from such products shall have still another formula. That is the formula under the so-called Barkley amendment, of the average cost of production plus the average increase in production costs and, in some cases, plus the average mark-up on top of that.

I wish I might have time to explain that the Administrator, nothing to the contrary notwithstanding, is given discretion as to whether he shall apply the

Barkley standard, and it, therefore, gives him discretion to wholly nullify the standards contained in the so-called Barkley amendment.

Then we have another one in respect to restaurants, the price of meals to be fixed by adding the customary margin to the acquisition cost.

Next is the Barkley formula for all commodities not included in the items decontrolled in the Senate bill. To the average dollar price during the basic period you add the average increase in cost of production. You have to do that, or you add the average current total cost to the industry and thereafter the profit margin on sales in the base period. What are you going to apply? Industry does not know. Industry has no way of knowing which of these formulas will be applied by the Administrator.

Then, in the case of soft wood logs and lumber you apply another formula for price fixation. That price must be above the current cost of production. Nothing in respect to profit; nothing in respect to anything else except cost of production, as determined by the Price Administrator.

If I had time I would like to point out one of the very basic points in dispute in section (f) on page 13 of the conference report. That is in the application of the so-called Barkley amendment. If you read the first three lines and then stop, you may be reasonably satisfied, but if you read the last three lines in connection with the first three lines you would surely come to the conclusion that that language gives the Administrator of the OPA new and unusual powers to determine the quantity of production in every industry in the United States.

I think this conference report, in fairness to the American public, should be voted down.

The SPEAKER. The time of the gentleman from Michigan [Mr. WOLCOTT] has expired.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Speaker, we had a very difficult task in the conference, but we brought back to the House the best bill that we could obtain. As a matter of fact, I think we ought to have control on food for a while longer. Many of you members who do not want control on food ought to be pretty well satisfied with this report. We set up a decontrol board that is supposed to be fair. The members of the board will be appointed by the President and confirmed by the Senate. They are to go into the facts relative to each commodity and comply with the formula set out in the conference report. They must follow the formula and find that the facts justify a reconrol under the formula before putting control on.

We set up standards and a yardstick, so to speak, which the decontrol board must follow in decontrolling or reconrolling commodities. I prefer this board, who will have plenty of time to go into the merits of each commodity to have

controls taken off, than for Congress to act without having all the facts.

Here is a bill that will do that.

I am for this report and for this bill chiefly for this reason: I have always maintained that the producers in this country were entitled to cost and a reasonable profit. I say today that this is the spirit of the original act, and if OPA had carried out the spirit of the law you would have had more production and less complaint. I say to you, and I will prove it before I take my seat, that we have accomplished for all the producers of this country in this bill cost of production, current cost, and a reasonable profit. I say this will increase production. It may increase prices a little in some instances but it will increase production, the very thing that kills inflation.

Suppose it does increase prices a little bit, that is much better than turning everything loose with people bidding against each other and running commodities sky high.

The Bankhead-Brown amendment, as you know, was passed in 1944. The reason it was passed at that time was because cotton was bringing only 92 percent of parity while other commodities were bringing much more than parity. The Bankhead-Brown amendment said to the OPA that they must place a ceiling on textile items to reflect parity on cotton, because cotton was one of the basic crops and therefore you could not under the then existing law place ceilings so low as not to reflect parity on this commodity.

No one doubts the fairness and justice of the Bankhead-Brown amendment. The OPA did not, because in 1945 they had it in the bill they prepared, and in 1946 they had it in the bill they prepared. That is just exactly what we have done for practically everybody else. Let me show you how, and this will interest the gentleman from Michigan [Mr. WOLCOTT] who just preceded me.

We have modified the two provisions which the President said caused him to veto the original bill. One was the Taft amendment and the other was the Wherry amendment. We do not have the Taft amendment but we do have the Barkley amendment and an amendment introduced by me to the Barkley amendment which produces the same results, and at the same time makes it workable and unobjectionable to the President and OPA; that is, producers must have the cost of production plus a reasonable profit. Who wants more? Why should anybody object to control in wartime—and this is still war, because the war has not been brought to a end, only the shooting has stopped—who wants more than a reasonable profit during this emergency?

Senator Taft and the other Senate conferees accepted it. I subscribe to it. The gentleman from Michigan [Mr. WOLCOTT] objected to it. Senator Taft signed the report, and he knows the amendment accomplishes the purpose which the Taft amendment undertook to accomplish but in such form as not to be objectionable but workable.

In the new section 6 of the Price Control Act added by section 11 of the bill, providing a general pricing standard in

the case of products of any producing, manufacturing, or processing industry, except products covered by the revised Bankhead-Brown amendment, the principle of assuring an average price at least equal to the average costs of a product plus a reasonable profit has been included in subsection (f), in place of the provision as it appeared in the Senate amendment.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. SPENCE. Mr. Speaker, I yield one additional minute to the gentleman from Georgia.

Mr. BROWN of Georgia. Section F of the Barkley amendment was hotly contested in the conference, and it looked as if we would never reach an agreement on account of the wording of section F.

The amendment which I offered as a compromise giving cost of production and a reasonable profit satisfied Mr. Taft and the other Senate conferees. It is the thing I have been fighting for and had we had this principle heretofore we would have had more production.

Also, in paragraph 10 of subsection (e) of the new section 1A added to the Price Control Act, the standard of costs plus a reasonable profit has been made specifically applicable in the case of products produced from livestock, milk, cottonseed, soybeans, and grains, and certain products thereof, when these latter items are not themselves under price control.

The question is, Shall we take a reasonable attitude? This is the best bill we can now obtain and I think it will be helpful and bring on production, and still be fair to the producer, giving him a reasonable profit and at the same time be helpful to the consumer as it will prevent the price of certain commodities going sky-high. It is either this or nothing. I cannot believe that Members in this Chamber are going to turn down this report.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Speaker, for several years the average citizen was deprived of meat. Then came the President's veto June 29 of H. R. 6042, which snapped the bureaucratic chains that had been binding the meat industry hand and foot, and almost overnight that citizen could again supply himself with meat.

What is this august body, the Congress of the United States, doing now? Nothing less than contriving to again take meat away from that citizen, or at least the power to do so.

Why? Surely not because the price has risen so high that the public in general cannot afford to buy meat. The volume of sales belies any such conception.

The public in general abhors black markets, or at least the necessity for them. The OPA pronounced a malediction upon them. Black markets disappeared into the thin void when the dead hand of OPA was removed from the economy.

Yet, here is the National Legislature deliberating on a measure which will, if it passes, as surely as the sun rises in the

east and sets in the west, restore the great mass of black markets that prevailed before the President's veto, or certainly vest in the President the power to do this.

Suddenly OPA and black-market operators find themselves in full agreement on the issue now before this body. Both want the OPA restored with full power to control all prices. Strange bedfellows, you may say, but not so when we look at the record. We had it in prohibition days, when we saw bootleggers striving with all their might for the retention of prohibition. The story is as old as corrupt government, which goes back to the birth of government itself.

Why does the OPA want controls put back on meat and other food products? There is but one answer, namely, control for control's sake. A power-mad political machine might be hampered by competition, the liberty of the individual to use his own brain, to plan, to choose, to judge, to compare. As Bastiat would put it, the New Deal seeks nothing less than to annihilate intelligence, thought, and man himself. Fascism under Hitler had, and communism under Stalin has, the same end in view. Basically, New Dealism identifies itself with both of these regimes.

This bill restores all the powers to the OPA which it had before the President's veto. Make no mistake about that. The OPA will possess power to order the economy at will. Some relief, such as that given to the automobile dealers, is provided but by and large this bill provides no relief whatever for American industry. It introduces and makes operative the most vicious policy conceivable, that of alternately removing ceiling prices and reestablishing them without end.

Industry will be without a base. It will be unable to program its activities from one day to the next.

Disorder of the economy will progress at an accelerating tempo and dictatorship continue in its march.

I am against collectivism in any form or degree. That is why I withheld my sanction to the conference report.

I refused to sign this death decree for free enterprise and liberty.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from Connecticut [Mr. KOPPLEMANN].

(Mr. KOPPLEMANN asked and was given permission to revise and extend his remarks.)

Mr. KOPPLEMANN. Mr. Speaker, the provisions of this bill are thoroughly inconsistent with its purposes. The only reason for continuing price control through law is to have the machinery for orderly control of, or resistance to, a higher price trend which is inevitable in a period when the supply of goods is short of the demand. Prices are higher; there are no if's, but's, or and's about that. Undoubtedly prices will go even higher, but the question that we must answer is whether prices will go up so far out of reach that economic disruption of all kinds will ensue—first in labor unrest because current wages will not be sufficient to purchase even the minimum necessary things that millions of families need; second in a disruption of mar-

kets which can cause a deflation to result and prices to go through the floor instead of through the ceiling. And so we would have boom and bust.

This bill is not the answer. We need effective control through law, and adequate authority to the agency—in this case the OPA—administering the law to apply the controls as needed or to remove them as conditions permit.

No law is any better than its administration. Obviously the provisions of this bill, in assigning to a decontrol board and to the Secretary of Agriculture the power to veto or overrule the decisions of the OPA, say very definitely that there is no confidence in the OPA, that its decisions are not to be taken seriously, that another authority must be called on to decide whether the OPA is right or wrong. That in itself makes for confusion. It ridicules the OPA and this law itself. If there is no confidence in the OPA, then cut it out. Under this bill opponents of inflation and price control would divide and conquer.

The proponents of this bill are attempting to make two wrongs equal a right. They are with one hand decrying the OPA, withdrawing authority from the OPA to make and enforce its decision; on the other hand they are continuing its existence, retaining its thousands of employees on the public pay roll, while to all intents and purposes this conferees' bill says out with the OPA.

Is any other agency of the Government subject to the veto of another agency of the Government? Is any other agency of the Government trussed up, able to speak, but not to act?

I speak as one who is for effective and full control of prices, so long as that control is needed—and this surely is no time to abandon the controls. But there will be no effective control if we give authority to the OPA with one hand and take it away simultaneously with the other.

How long the consumers will continue to battle against higher prices by refusing to buy depends on how long can they continue to do without necessary commodities. There has been sincere effort on the part of some retailers to hold their prices down to June 30 levels, but they cannot hold down those prices to June 30 levels much longer. Retail stocks on hand as of that date have been about exhausted, and as the stocks are replenished the retailers must pay the higher wholesale price. Consequently prices to the consumer must go up.

Now, what does this bill do. It says that until August 20 there may be a further holiday on price ceilings for essential meats, dairy products, grains, and so forth. If the price ceilings are restored by then, they will be put back but not by the OPA. It will be up to the Decontrol Board to decide whether the ceilings will be put back on these essential commodities—and when and how much.

In the meantime what is going to happen? Prices have risen considerably on these commodities since the paralysis of OPA on June 30. The report just issued by the Commerce Department indicates that the prices would have risen higher had there not been a deliberate effort to hold them down. Despite that

effort prices on essential market-basket goods have gone up. With this further holiday decreed at least until August 20, the lid will be completely blown off. Prices will spurt up, and when the ceiling is clamped down, if it is, the price level to be set will not be that of June 30, nor of today, July 23, but somewhere between today's price and whatever price will have been reached by August 20 or whenever they may decide to restore the ceilings.

Ceilings on other essential commodities are lifted indefinitely. If they are to be put back, it will not be on authority of OPA, but on the decision of the Decontrol Board. OPA may say ceilings should be restored; the Decontrol Board can say no. OPA may recommend a protective ceiling. The Decontrol Board can fix another ceiling.

The intent is obvious. OPA has taken the brickbats because of its insistence on protecting the consumer. This bill would remove from OPA its authority to protect the consumer, if the consumer protection should conflict with the profit opportunities of private interests.

The rank and file of the people are complaining now that they cannot meet the higher cost of living with their wages. People of fixed incomes are complaining. People working in the shops and factories are complaining. Numerous letters have come to me from people who relate while their wage scale is higher, their wages are lower because they are working shorter hours. So with this provision the purpose of the bill to continue price control on essential commodities is negated.

The one saving provision of the bill is the rent-control feature. But it is inconceivable that the landlords will stand for their commodity being under control while the ceilings are relaxed or abandoned on all other commodities. They will indulge in wholesale violations of the law, and if the violations come before the courts, the courts will be compelled to uphold them, on the grounds that class legislation has been enacted against the landlords.

For the purpose of continuing price control as a lever against inflation this bill is no better than the one that was vetoed on June 29. It legalizes inflation just as surely as did that one. The public will be lulled into thinking that they are being protected by a price-control law, and will wonder why prices jump.

Where a commodity is properly entitled to an increase, the discretion, or authority for granting that increase should rest in the hands of the agency supposed to administer the law. I strongly oppose that authority being taken from the OPA and transferred to either the Department of Agriculture or this Decontrol Board. For again the OPA will be the goat, and innocently take the blame for higher prices which it protested but which will have been put over on the people by these two vetoing authorities.

Passage of the bill in this form will result in greater confusion, higher prices and will subject the needs of the people to the profit desires of the special interests which have already played so

large a part in scuttling the entire price-control program.

This conference bill is neither agreeable nor satisfactory. I cannot in all honesty by my vote say to the people that we have given them price control with this measure. I cannot compromise with principle.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, this resolution does not satisfy the proponents of an OPA bill or an effective price-control law. Although it is not good enough for the proponents of an effective price-control law, it is not bad enough for opponents of price control. Any Member who wants an excuse for voting against this conference report can very easily find it, whether he is for price control or against it.

It is not a perfect resolution by any means. It is not intended to be perfect. It represents a compromise. It is typical of major legislation that passes the Congress. Practically every major law represents a compromise of view or a sacrifice of opinion on the part of almost every Member of Congress.

You conferees, seven from the House and seven from the Senate, spent 6 hard days and sometimes at night trying to iron out the differences between the resolutions passed by the two Houses. We have done the best that we could. As evidence of the fact that we satisfied most of the conferees, all except one of the seven conferees of the other body signed the report and all but two conferees on this side signed the report. We did the best that we could.

Now then, let us see what this resolution actually does. No. 1, it preserves the wage stabilization program and it permits the Wage Stabilization Board to function as it has in the past. It is worth preserving. It is not going to hold prices down; I do not claim that. Some prices will be increased in order to get increased production. Other prices will be increased in order to remove inequalities. They are perfectly justified, but I believe that the prices will be held down sufficiently to where another run of strikes will be unjustified and will not occur. If we turn prices loose, we know that then the working people will want more wages, and they will be entitled to more wages, and after they get more wages then prices will have to be increased and then we will have a race between wages and prices which brings on ruinous or runaway inflation in any country in the world. So this bill will not hold prices down to where they were, no, yet it is sufficient to prevent runaway prices. Therefore, I believe the bill is justified.

It provides for effective rent control.

The gentleman from Michigan mentioned the fact that there are six formulas for determining the prices on different commodities and products under this bill. I think he is correct, and I think it is amazing that we could deal with 8,000,000 different prices and have only 6 formulas. I think it is a most amazing thing that the conferees would have so few formulas in arriving at and

determining the millions of prices in our economy.

This bill means much to the American people. We have duties and obligations to many people in the United States. The Members of Congress have obligated the Congress that Congress would extend certain benefits and privileges and opportunities to certain people who have made a great sacrifice for our country in time of war. We are paying them a certain amount of money. Will that money buy a dollar's worth? No, we know it will not. It will buy only 76 cents' worth on today's market. Will it buy 50 cents' worth tomorrow or next week, or 25 cents' worth? It is a matter of what this Congress does with price-control legislation. If we do not have price control on scarce commodities, commodities that are in short supply, the dollars we are paying out will be worth very, very little. So the question of the value of the dollar is here. Let us vote for this conference report. It is 50 per cent better than the bill the President recently vetoed.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Speaker, the compromise bill before us proposes two main things. One is to establish new policies to govern the OPA in fixing prices, and the other is to reestablish price control and provide for its liquidation partially by the 31st of December and completely by next July.

I do not find particular fault with the standards set up by the bill for the control of prices. Generally speaking, I think they reflect the desire of Congress. The administration of this act, however, is left to those who are not in sympathy with the policies this bill establishes. To that extent it will have unfriendly administration.

One important phase of this bill as proposed by the conferees, is the uncertainty it creates, the difficulties of administration, the confusion, and the instability that may result. Complaints from producers to me have been particularly directed at the instability and uncertainty, including the difficulty of financing operations where the investment is susceptible to such uncertain hazards.

What is the present situation as to price control? The war has been over nearly a year. During the war period price control was necessary. The country pretty generally so regarded it. Now most of our military forces have been demobilized. America has regained a strong productive capacity for peacetime purposes. We have reached a situation where we may well question if price control has in the main ceased to be useful or necessary to this country. We can inquire whether its benefits outweigh its burdens.

We have had difficulties, it is true, in reconversion but those difficulties have been primarily artificial.

Yesterday the Department of Agriculture reported that we have the greatest corn crop in the history of this Nation, 3,487,000,000 bushels, and the greatest wheat crop of all time, 1,090,000,000 bushels. These two crops provide our

basic food and feed supplies. They now offer us a very cheering prospect for both food and feed supplies for the coming year. They forecast improvement in our livestock supply. That means more meat and less reason for price control. It means less black market.

We have a tremendous crop of fruits and vegetables. The largest canned pack ever in the history of this country is now contemplated. Sixty million crates of fruit are now in prospect of being canned for the coming year. We have an abundance of poultry and eggs. We have a great supply of beef. All these things testify to the fact that the time is near if not already here when in the main price control is no longer necessary.

I voted for the continuance of price control in June. Now the situation is different. Price control has ended and the question as to what extent, if at all, should we revive it. It is not a question of continuance, but of revival. It has been off for 3 weeks. It is proposed by this bill to keep the basic agricultural products without control until the 21st of August. That means 7 weeks without price control.

Some day we must readjust ourselves from a price-control economy to the natural economy of competition. In my judgment, that time has in the main arrived. The productive capacity of America is such that it can meet the future on a competitive basis and I believe to the betterment of every segment of our population. Of course, it is inevitable whenever we make that change from a controlled to a competitive basis we are going to have some trouble. There will be great differences in the economy of the United States when you change from a system of almost universal price control to a system of free competition.

It involves a release from the rules and regulations of a central controlling body exercising its power over innumerable activities of the American people. It returns our people to the freedom, the initiative, and the conflicts of free competition. Business will respond to the impulse of its new-found freedom. Changes and fluctuating prices will create some hardships, but as long as we have our normal productive capacity we need not long fear those hardships. These fluctuating prices are simply a natural accompaniment of the adjustment period. We must count that adjustment period not so much as one to be welcomed as, rather, one to be certainly endured. We have now been passing through 3 weeks of a readjustment period. Here is a proposal that by the 21st of August we shall resume price control in full. To do that means that later we must go through another adjustment period and suffer its consequences until we can reach normal adjustments.

Now that we have already embarked upon an adjustment period, are the conditions such that we should revert to control and then later face the necessity of another adjustment period? It may be more convenient to delay than to meet the issue today, but in the end the aggregate disadvantages of delay may be greater.

Price control should be maintained only as a necessity. It is an expensive remedy. Its full subsidy program would cost the Treasury \$2,000,000,000 a year. We have its expense of administration. We have the expense, the time, burdens, and annoyances of complying with the rules and regulations of the OPA. The full extent of that burden cannot be measured, but I dare say that no responsible person would estimate the burden of compliance to the American people in time and expense as less than a billion dollars a year.

Price control has incited the black market as almost a natural accompaniment where there is, naturally or through artificial means, a shortage of supply. Meat and lumber are two notable examples.

The administration of the OPA carries difficulties that are beyond the capacity, perhaps, of any man or organization to cope with without resulting hardships.

During the war the country was under the necessity of restricted production for civilian purposes in order to centralize on supplying our war needs. As soon as the war was over the great economic need of the country was to secure production in abundance. It seems as if the Office of Price Administration was so geared to the control of scarcity that it was unable to adjust itself to the country's need of abundance.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Speaker, when the last conference report on OPA was before the House, I strongly favored its adoption. It contained some weaknesses and some objectionable features. There was such strong opposition to so many phases of price control that I was absolutely convinced it was the most workable and effective bill that could be obtained under the circumstances. No one could expect to secure a price control bill exactly according to his own wishes. We were confronted with a practical situation, not a theoretical one. Similarly, when the vote came up on the President's veto I urged the Members to override that veto for the same reasons. I also pointed out that the overriding of the veto was the only way we could insure continuous control over prices and create certainty throughout the country. In view of the long period of service spent by Mr. Truman in the United States Senate, it is difficult to understand how he could veto the bill and throw the country into the consequent confusion. He must have known that just what did occur, would occur.

This bill is not as effective and workable a one as that which the President vetoed. Nevertheless, in my opinion it is still necessary to keep as much control over prices as we can so as to prevent any complete run a way. If we do not approve this conference report, then there is no control at all under any circumstances whatever unless and until new legislation should be enacted. So I intend to vote in favor of this conference report. If the President vetoes it, I will do my best to work out some new bill which may satisfy him. If he adheres to the statements in his last veto message

he certainly will veto this one. It is worse than the other bill in the loopholes it leaves. It will be far more difficult to administer. Apparently it is this or nothing.

The greatest harm to the price levels in this country has been caused by the more than 3 weeks' gap when there was no price-control law at all. The dislocation of prices during this period and the uncertainty existing in the minds of producers and consumers during that time will make it most difficult to reinstitute controls at the levels formerly existing. That, of course, could not be helped after the President destroyed OPA by his veto. It was an inevitable consequence of the veto.

Our problem here today is to do the best we can to create some method of keeping a checkrein on prices. Unless we do so, we may well drift into an extremely serious situation. While I feel this bill is much less desirable than the previous one, I recognize the great difficulties faced by the conferees. I am sure they did the best they could under the circumstances.

There is a good deal of difference of opinion on just what this bill does. The lack of price control for more than 3 weeks presents an added problem. I do not wish to put myself in the position of urging anyone to vote for this conference report as I did in connection with the last one and in connection with voting to override the veto. I am not as certain of the future course of events now as I was then. I did want to give briefly the reason for my support of it. My support is not based on any particular approval of the way this bill handles this problem but purely on the ground that it is the most practical step at present available to safeguard the welfare of the country and the great majority of its citizens.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Speaker, this bill today adds frustration to confusion. I was interested in hearing our distinguished colleague from Georgia assure us that all the benefits we could expect to have under the Taft amendment are provided in this bill. If that is true, I am sure that President Truman's veto speech was a political veto speech. There is a very marked tendency all through all these discussions and these debates and the assumption of responsibilities that go with such legislation, to note that when it is all said and done we are right back where we started. Under the Second War Powers Act and under this act we are going to tell the small businessmen of this country that we are going to put them right back into the same strait-jacket where they have always been; that the war may be over but it is not over as far as they are concerned.

As far as the farmers of this country are concerned, I am pretty sure they will be able to take care of this situation in their own way and I think they will do so when the time comes.

I yield back the remainder of my time.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. CORBETT].

(Mr. CORBETT asked and was given permission to revise and extend his remarks.)

Mr. CORBETT. Mr. Speaker, in a government of the people perfection is seldom or ever possible. We can only seek the best attainable as a result of discussion and compromise.

As we recall the conflicting economic, sectional, political, and selfish producers' and consumers' interests seeking to affect the price situation and as we recall the sharp and honest differences of opinion regarding price control it is somewhat surprising that the conferees could have presented us with as good a report as the one before us.

Perhaps the best general proof that it is a fair compromise is the fact that it is unsatisfactory to extremists on all sides. It apparently gives no one a sufficient advantage to arouse their enthusiasm.

In fact the bill before us now is not exactly as any one of us would have it if we were to write it alone. But it does provide some of the objectives of most everyone concerned and most important it provides in the decontrol-recontrol provisions a two-way safety valve on the siamese twin boilers of supply and demand. To me it seems the most sensible thing possible that a body of legislators lacking the ability to accurately predict the future and preparing to leave their posts would set up such a board to protect the public and themselves against the dangers of inflation and shortages.

To the degree that the Decontrol Board functions as it is intended, to that degree prices will be kept within bounds and shortages will be reduced. It is my studied opinion that under the terms of this bill we can settle down to a period of sound price regulation that will definitely point the way to an orderly elimination of all price controls as production and demand reach a normal balance.

Oh, I know that some of you are fearful that the restrictions placed upon the decontrol-recontrol powers of the new board permit too much discretion, and I know that some of you are sincerely concerned about the economic philosophy of the yet-to-be appointed Board members. I share that concern, but once this bill is law the responsibility is the President's. If he elects to appoint anyone to the board who does not inspire the confidence of the public, labor, and management—if he fails to remove any Board member who does not administer the law according to its letter and spirit he will be held accountable by the American people. And I am quite sure that the President is smart enough to know that, particularly after hearing the storm of protest that howled around the ears of the late unlamented OPA, and after witnessing the sound thrashing it received at the hands of the people's representatives.

I am confident that the need for price regulation has not ended; I know it is desirable to most of the people; and I believe that this bill before us will result in the kind of price regulation we need and desire, not the arbitrary, unrealistic kind we remember so vividly. I sincerely hope

this bill is agreed to by a big majority on both sides of the aisle.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from New Hampshire [Mr. MERROW].

(Mr. MERROW asked and was given permission to revise and extend his remarks.)

Mr. MERROW. Mr. Speaker, I hope the House will be courageous today, will exercise the leadership so needed in this country and vote down the conference report on OPA.

I began voting against OPA on the 17th of last April and I have continued to do so ever since. At that time I supported every crippling amendment and then opposed the passage of the bill. I voted against OPA in April and I have continued to vote against it ever since for three reasons. First, by killing OPA we will kill the black market. Second, OPA has retarded production. Third, I have no confidence in those who have been administering OPA.

What has happened since the 1st of July? We have had freedom in the United States and we ought to continue this freedom. Prices have not risen as rapidly as many expected. In New Hampshire I am glad to report that the butter lines are now gone. There is plenty of meat in the stores throughout the State. We are able to buy the grain to feed our livestock and poultry. People are again beginning to breathe the air of freedom.

I hope we vote down this conference report and return to the system of free enterprise which has made America great.

The SPEAKER. The time of the gentleman from New Hampshire has expired.

Mr. SPENCE. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, President Truman killed price control on June 29, when he vetoed the price-control bill sent to him by the Congress. His veto of price control, which was done at the demand of leaders in the Political Action Committee, did away with rent control and other controls over scarce commodities. It also set forces in motion to restore a free economy in this country. His veto was the beginning of the end for the black-market operators. But when the President asked Congress to pass another price control, which resulted in the measure being considered in the House today, he gave encouragement to the black-market operator, who has spent millions of dollars during the past 3 weeks to bid up prices on meat and other commodities in order to create a public demand for the renewal of price control.

If this conference report is approved by Congress, we will again return to a period of scarcity, the black-market operator will resume his nefarious operations, and the country's economy will be thrown into chaos. It is estimated that black marketers in meat have spent at least \$10,000,000 to bid up cattle and hog prices during the past 3 weeks to make a showing for the renewal of price control, but primarily to keep themselves secure in this criminal business. In this effort they have worked hand in hand with Washington bureaucracy that seeks

to retain permanent control over the lives and business of every American citizen. Your vote today on this conference report will determine if the Nation's economy is to be permanently controlled from Washington, or if the people are to remain free to work and produce in abundance for the general welfare of all.

Let us examine the bill when it comes to the matter of prices. The bill provides that meat, dairy products, and grains be automatically placed under control at midnight on August 20, 1946, and section 18 of the bill definitely reinstates all regulations, orders, price schedules which were in effect on June 30, 1946. While some prices may be out of line and too high, facts disclose that most prices on meat, milk, butter, and grains, at the wholesale level, are either at or below the former OPA ceiling plus the subsidy. Of course, if it is to be a permanent proposition that the Government shall spend nearly two billions a year to help pay on everyone's grocery bill, we had better find out about it soon, and before we go bankrupt. As of July 1, 1946, the Government paid 14.58 cents subsidy on every pound of butter sold, \$1.03 on every hundred pounds of flour which amounted to from 1 cent to 2 cents on each loaf of bread, and from 6 cents to 10 cents on every pound of meat sold to each consumer. No doubt, before long, some New Deal bureaucrat will propose that the Government pay the entire grocery bill for every citizen as a reward for the sale of individual freedom to a permanent bureaucracy in Washington.

The Department of Agriculture has today estimated that we will have the largest wheat and corn crop in all history. Our livestock population is greatly in excess of normal times. Corn is the main food for beef cattle, dairy cattle, hogs and poultry. With an abundance of feed in prospect, we should have an abundance of meat, dairy products, and poultry. But, with the threat of rolling back prices on these vital products to June 30 schedules when control is automatically resumed on August 20, I am convinced that within a week or 10 days from now, as a result of the chaos created by the reenactment of this type of legislation, meat, butter and scarce grains will disappear from legitimate channels of distribution, and the black market will take over. In other words, the sources of supply will dry up, unless the Secretary of Agriculture, in his wisdom, with the aid of a competent Decontrol Board promptly announces that controls will not be resumed on August 20. The Secretary and the Decontrol Board are given this power in the bill before us.

Most intelligent individuals are fully aware of the fact that certain policy makers in the OPA and the Office of Economic Stabilization have sought to create a scarcity of vital foods and goods. They succeeded very well in their effort up to the time President Truman vetoed the price control law on June 30 and, mark you, if this bill is approved the same forces will again go to work to create a scarcity situation unless they are stopped by the Secretary of Agriculture

and the Decontrol Board. I trust that the Secretary will use the power conferred upon him by this bill without interference from sources outside of his department. He can save the country from collapse and chaos, if he will make up his mind to let farmers and industry produce food for the people at reasonable prices and without subsidies from a nearly bankrupt Treasury.

Of course, if our social world planners decide to ship another 100,000,000 pounds of canned pork and other foods to Russia, it will not take very long before an actual scarcity will exist in this country. This is especially true, when one considers that the Truman administration has directed the shipment of 14,000 tractors to Russian areas this year, at a time when American farmers are unable to buy tractors with which to till the soil for the production of food on our farms.

I do not claim to be a prophet, but I venture to predict that before October 15 of this year, a few weeks before the congressional elections, all vital foods and most civilian goods will be removed from controls as an appeasement to the people, solely with the expectation that grateful citizens will cast their votes for PAC-endorsed candidates for Congress. Do not forget that the PAC and all New Dealers want to gain control over your Congress, so they can continue to direct the destiny of the American people.

I am urging that this conference report be returned to the conference committee. It is against the interests of the American people. It will cause scarcity of supplies in vital foods and civilian goods. It will create economic chaos for all legitimate producers in agriculture, industry, and business. It will reinstate the black market and cause suffering for law-abiding citizens who are unable or refuse to pay black-market prices. Above all, it will destroy the faith of our people in their Government. Given a little time, under a free economy, all vital foods will be available for the consumers in abundance at reasonable prices.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Just take a look at the vacant seats up in the gallery where there used to be a crowd. They are running out on you. They are home eating meat and butter. Give them two more weeks of freedom and they will love you so much they will want to send you back to Congress.

This bill is going to be hated more than people have ever hated any other bill, and I will tell you why: It has much more drastic controls. For instance, it gives this reconcontrol board or decontrol board, which is OPA under a new facade, the power to take these people into jail again any time that the board decides: "That public interest will be best served."

In other words, you are delegating to this board the general-welfare clause of the Constitution which has been stretched all around the world and back again. And then what is on page 13? I want you to know that you never passed a law that gives fuller Hitlerish

power to one board than this one. It will be run by some little bureaucrat. And the smaller the bureaucrat the more he thinks he is God or Goering. On page 13, section 11, subsection (d), it deliberately states that a man does not even have to get his cost under his price ceiling. This new OPA does not have to give a man his cost, and it even says of lumber that not even 90 percent of the industry have to have cost. With this thing you can just run a complete Hitlerian economy and get no production at all.

The SPEAKER. The time of the gentlewoman from Illinois has expired.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on this bill at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MICHENER. Mr. Speaker, I voted for the original OPA, for a limited time, as a war measure. I have voted for each extension and on each occasion for more specific direction to the Administrator.

On June 30 last, price-control law expired. Preceding that, the President had asked for 1 year's extension. After months of committee hearings and study, the Congress passed and sent to the President a bill which in no way changed rent control but which did contain needed amendments to existing law. This was a compromise on the part of everybody interested. However, the President vetoed the bill, thereby killing all price and rent control, and insisted that he be given a whole loaf or none at all. In other words, he made it clear that he would not accept any bill extending price or rent control which attempted to limit the power of Chester Bowles, or any Administrator, as provided in the compromise bill. He asked for a 20-day extension of the OPA law in order that the Congress might reconsider, and in the hope that it would give to him the authority which he demanded.

The House granted this request and voted the 20-day extension. However, the Senate, after deliberate consideration, passed a new bill which is now before the House. In many respects this bill is like the bill which the President vetoed. In some particulars, it is certainly more obnoxious from his standpoint. If he meant what he said when he vetoed the first bill, certainly he cannot consistently approve this bill. The majority leadership in the House has been unable to give any assurance that the President wants this bill, and this notwithstanding their conference with him on yesterday after its terms were made public.

The compromise has been spectacularized in the press. The high lights of this new bill are about like this:

First. Restores price and rent control until June 30, 1947, but with sharply curtailed OPA discretion, and divided authority.

Second. Sets up a new three-man Decontrol Board, which will have powers to reestablish controls. The Board could override OPA and the Secretary of Agriculture to remove controls on any commodity. It could restore controls on any of the basic foods and other items previously exempted by the Senate.

Third. Ceilings on five of these commodities—meat, dairy products, grains, cottonseed, and soybeans—will go back August 21 unless the Board decides otherwise. These items must remain ceiling-free until that date.

Fourth. No controls can be imposed on poultry, eggs, petroleum, or tobacco unless the Board orders. In no event can the Board recontrol these before August 21.

Fifth. In addition, the Board has the same broad powers to order removal of ceilings on other commodities it was granted in the recently vetoed bill.

Sixth. Subject to the Board's final say, the Secretary of Agriculture, rather than OPA, would decide what farm commodities can be controlled.

Seventh. OPA's rent control authority is continued unchanged.

Eighth. Subject to the Decontrol Board's over-all orders, OPA would continue to set ceilings on industrial goods. But its discretion would be sharply curtailed by the bill's new pricing formula.

Ninth. Both rent controls and industrial price ceilings would be restored on the day the President signs the bill. OPA is expected to issue interim regulations covering the 30 days allowed for working out the higher ceilings required by the new pricing formula.

Tenth. This formula requires OPA to set ceilings for manufacturers on an industry-wide basis, reflecting their average 1940 price for each product, plus increases in cost since. OPA could refuse the increase to manufacturers already receiving cost plus a reasonable profit if the increase would not aid production, or if it would reduce production of equally needed items.

Eleventh. OPA still would retain considerably more discretion than under the Taft amendment. For example, it could make "reasonable adjustments for conditions resulting from abnormal volume of production."

Twelfth. OPA would have to give wholesale and retail distributors ceilings reflecting their "current cost of acquisition of any commodity plus such average percentage discount or mark-up as was in effect March 31, 1946."

Thirteenth. Subsidies largely for holding down food prices trimmed from the \$2,000,000,000 asked by OPA to about \$1,000,000,000. No food subsidies could be paid after next April 1.

Mr. Speaker, can you conceive of our farmers, our businessmen, our manufacturers, and all the rest, being compelled to conform to the new swarm of rules, regulations, and directives following the passage of this law?

Even if the President does have the temerity to sign this monstrosity, it is impossible of administration. A three-man Board, selected by the President, is brought into the picture. Now, if these were supermen, or were all practical, common-sense businessmen, and func-

tioned as such, possibly this new proposal could be made to work. If they were all men like Chester Bowles the confusion would be just three times as bad as it was when he had a one-man Administration. Under this new bill there will not only be uncertainty, but the chances are a hundred to one that there will be chaos. Imagine the task of going back to June 30 and starting all over again. Who would know what or when?

Mr. Speaker, the very idea of controlling the price of agricultural products, for instance, with a declaration in the beginning that there can be, which means that there probably will be, a readjustment of these prices every 30 days. What in the world is the farmer going to do if he knows that some bureau in Washington may change his selling price every 30 days? Will this get food and the things we need and the production we must have? Surely, no one familiar with agriculture can entertain any such belief. This is just one of the many incongruous possibilities inherent in this conference report.

Today there is no price-fixing control at all. Under this bill there will be selective control, entirely in the discretion of the new three-man bureau set up. On some commodities there cannot be any control before August 21. On other commodities there can be no control at all. The words control and decontrol are used carelessly and promiscuously. It is a case of going and coming at the same time. The old story about "on again, off again, gone again, Finnegan," has nothing on this bill.

Mr. Speaker, I have received literally hundreds of letters and telegrams from constituents demanding that the price-control law which was in effect be continued without any crippling amendments. These groups and individuals protested bitterly about the action of the House in passing the bill which the President vetoed. Certainly they do not want this pending bill with these additional crippling amendments.

Because I voted for the bill which the President vetoed, I was severely condemned by these advocates of OPA. If I follow their instructions today, I certainly cannot vote for this bill. In short, I doubt if a single Member of the House has been asked by one of his constituents or one group from his district to support this proposal now before us. I shall, therefore, vote to recommit the bill to the conference committee in the hope that the glaring inequalities, impossibilities, and inequities may be eliminated if price control is to be continued. If the majority of the House refuses to make such request, then I shall be constrained to vote against this conference report.

I have taken the position from the beginning that OPA control should be eliminated just as soon as the economy of the country would permit. However, I have felt that the best interests of a majority of the people required that it be removed gradually. When the President permitted wages and the cost of production to rise, then the line was broken. When he purposely discontinued all price control, the result on our economy was not at all as he had predicted. Yes; there were increases in some prices,

When subsidies were removed and the consumer paid his own grocery bill, he necessarily paid about 12 cents more a pound for round steak and about 18 cents a pound more for butter, if the producer was to get the same price he received when the Federal Government paid the producer these amounts in subsidies; that is, the taxpayer paid the subsidy, or a part of the consumer's grocery bill. Few of our people expect these subsidies to be continued permanently. Yes; prices in many instances are much higher and there are profiteers, but not nearly so many as we who believed in the efficacy of OPA, as a war measure, anticipated.

If this conference report is not accepted, it will mean the conferees must work out a bill not so intricate, not so involved, and one that has a possibility of accomplishing the purpose for which the original OPA law was enacted. There is no hope of such benefits coming from the bill now before us. Its enactment will but add to the uncertainty.

Mr. SAVAGE. Mr. Speaker, we cannot have free enterprise without a public to patronize it. Unless we control inflation the public's purchasing power will be wiped out. Some of this Republican talk about free enterprise, while completely ignoring the welfare of the people, reminds me of Mr. Chesty D. Breathedeepest in this article from the Southern Teamster of July 3, as follows:

ONLY ENTERPRISE IS FREE

(By John Payne)

Congressman Stumblebum loudly cleared his throat. "The meeting will come to order," he said.

"We are privileged to have appearing before our committee today," the Congressman continued, "Mr. Chesty D. Breathedeepest, who is national president of the Fresh Air Supply Corp. of America. Mr. Breathedeepest will now do our committee the honor of answering whatever questions you gentlemen may care to ask him."

Mr. Breathedeepest looked expectantly around the room.

"Ask me any questions at all, gentleman," he invited. "The Fresh Air Supply Corp. of America keeps no secrets from the public."

"Is it true, Mr. Breathedeepest," asked Congressman Gravestone, "that your corporation plans to sell air for breathing to the people of America?"

"Yes," said Mr. Breathedeepest, wiggling with pride. "The Fresh Air Supply Corp. aims to be of service to each and every American from the cradle to the grave. We will sell air suitable for breathing to young and old at moderate rates, payable on the first of every month."

"Does this mean, Mr. Breathedeepest," asked Senator Foghorn, "that everybody will henceforth have to purchase his or her supply of air from your corporation?"

"Quite so," answered Mr. Breathedeepest, continuing to wriggle. "Our corporation will render service to the American people in much the same manner as the water companies do when they sell water or the power companies when they sell electricity. In other words, we plan to operate in the true spirit of free enterprise."

"But doesn't the Fresh Air Supply Corp. expect competition from other companies?" asked Congressman Frogface.

"No," answered Mr. Breathedeepest. "Our corporation has taken the trouble to buy up exclusive rights to the invention which rations the air. And the original inventor, poor chap, died of a mysterious ailment a short time ago."

"Isn't your corporation operating in violation of antitrust laws, Mr. Breathedee?" asked Congressman Fishcake.

"No, indeed," answered Mr. Breathedee quickly. "Our corporation is not a monopoly. We merely are the only business enterprise in our own particular field. We take pride in serving the public. Why, in addition to providing our customers with pure, unadulterated air without gasoline fumes, obnoxious odors, and flying insects, we also supply each and every client with a free air meter which locks easily to the nose and shows at a glance how much fresh air each person has consumed for a given period."

"But, Mr. Breathedee," asked a Congressman from the far end of the room, "wasn't the air we breathe meant to be free just like the sunshine?"

An angry murmur spread through the room. Congressman Stumblebum rapped for order.

"You don't have to answer that question, Mr. Breathedee," advised Congressman Stumblebum with an apologetic look.

Mr. Breathedee ran a finger between his collar and his perspiring neck.

"Gentlemen," he said, "the Fresh Air Supply Corp. is proud that it is ending the wasteful practice of careless breathing of air. If air and water and electricity were free to everybody, gentlemen, I ask you, what would happen to our system of free enterprise?"

Mr. BUCK. Mr. Speaker, this bill will bring neither price control nor full production. Instead it will bring utter chaos, black markets, scarcities,^a higher prices, inflation. I will vote against the bill, and in doing so, I am voting in the interest of people of small means.

Mr. RABIN. Mr. Speaker, I have often stated that I am for a strong OPA. I voted against the last conference report because I did not think that under the bill then proposed, price ceilings could have been enforced. I believe the Congress would do best if it would extend the OPA for 1 year without change, leaving it to the OPA to lift controls in the meantime on such commodities when it deems it safe to do so. The majority of the Congress, it seems, does not wish to do that.

The present conference report proposes the passage of an OPA bill which I am informed can be enforced. To be sure; it is not as good a bill as I would like to see enacted. However, it is the best that we can possibly get from this Congress, and much as I do not like it, I think it is in the best interests of our country that it be passed. I shall, therefore, vote for it.

Mr. MADDEN. Mr. Speaker, in considering the present conference report on price control, the membership is required to accept this legislation or nothing. When this bill was before the House several months ago, I opposed the crippling amendments which were adopted. I later upheld the President's veto of the emasculated bill which he was called upon to sign or veto.

This legislation is a slight improvement over the bill which the President vetoed, but it is the only protection the consuming public can expect, to keep down the cost of living.

Since OPA was discontinued on July 1, slightly over 3 weeks ago, prices have risen rapidly. This increase has taken place in spite of the fact that manufacturers, wholesalers, retailers, and so forth, through propaganda and otherwise, urged everybody to keep prices

down. One would infer that their campaign was carried on for the purpose of holding down prices until Congress recessed with the hope that no price control legislation would be enacted.

According to a survey conducted on over 900 commodities, the following index reveals:

First. In all of 1945 the general price index rose 2.4 points, from 104.6 to 107. That is a 2.3 percent increase.

Second. In 6 months of 1946 before OPA died the index jumped from 107 percent to 112.7 percent of the 1926 base. That rise was at a rate five times as great as in 1945.

Third. In 1946 after OPA, in the first two control-free weeks, prices of these 900 commodities at wholesale shot up from 112.7 to 120.7—4.5 points in the first week and 3.5 in the second. That rise was at a rate more than 80 times as fast as the 1945 rate.

Food prices lead the increase. One can easily understand the effect this will have on over 9,000,000 families in America whose income is under \$1,000 a year—12,000,000 families whose income is under \$2,000 a year—10,000,000 families whose income is under \$3,000 a year.

I hope this legislation will be sufficiently effective to revert to the July 1 prices on rents, food, clothing, and other necessary commodities.

OPA NOT NEEDED

Mr. MILLER of Nebraska. Mr. Speaker, the American people have had 3 weeks without price control. The shackles have been removed from industry and the food-producing sections of our economy. It is interesting to note just what has happened during these 3 weeks without OPA.

It is only natural that some foods in short supply, because of previous OPA actions, should go up in price. The price increases have not been as much as the Bowles-Porter administration machine said they would be. In the case of poultry and eggs, the price has actually declined under the original OPA prices. Butter today is slightly below the OPA ceiling of 3 weeks ago. It should also be remembered that there was a subsidy of 12 to 17 cents a pound on butterfat. Many people in the country did not realize that they were not paying their entire grocery bill when they bought meat and butter over the counter.

In the case of meat, we have seen the largest run of cattle and hogs since the pig-killing days of 1934 and the drought years for cattle in 1936. Yesterday the stockyards of Kansas City and other leading markets had the largest run of cattle that they have had in a quarter of a century. The supply of cattle surpassed the all-time high in the Kansas City market, which was in 1920. Meat, under a free market, is filling up the supply lines, the cooling rooms, and the lockers of the country. No longer do we see meat and butter lines. These products are abundant in all stores of the country.

It is interesting to note, Mr. Speaker, that all of the large metropolitan stores of the country are having clearance sales on many staple articles. Many other items in the stores are priced far below

the original OPA price. For the first time it is possible to buy white shirts and many articles that were formerly not to be found. It is true that there are some merchants that have boosted the price of meat and butter and other necessary items of living. They have taken advantage of a public hungry for meat and butter. They have found, as have the black-market boys, that free competition soon asserts itself and prices come down. It is estimated that the black-market operators have lost more than \$10,000,000 in meat alone since the 1st of July.

It is only natural that there will be some maladjustments and some shock to our economy by the immediate termination of OPA. This would happen whenever the Congress decided to stop OPA and the subsidies involved.

Mr. Speaker, I have listened to the reading and the discussion of the conference report on the OPA. It is my considered opinion that the bill as written is unworkable. It will add chaos to confusion. It is a Frankenstein monstrosity that cannot be administered. The people already have nullified OPA as they did the old NRA and national prohibition when they were in effect. The bill is confusing and will cause more and more unrest not only in the agricultural section but the industrial sections of the country.

It is only natural that the black-market boys are now lobbying in the halls of Congress asking that OPA be continued. They know that with the passage of this bill that the legitimate market will dry up and they again will come into their lush untaxable profits.

I am certain, Mr. Speaker, that if the controls are placed back upon cattle, dairy and other products that the market will dry up and these products can only be found at black-market prices.

How can you expect the man who feeds cattle, for instance, to buy and place in the feed lot cattle when the price can be changed every 30 days? The provisions for a Decontrol Board would require the employment of thousands of decontrol boards in order to handle the requests for price changes. The prices are subject to change every 30 days. This is an impossible situation.

I note, Mr. Speaker, that there is a section of the bill which provides that the Decontrol Board can operate on a regional basis. I am wondering if we might expect this Board, controlled by the administration, just a few weeks before election to remove all the controls on meat, butter, and agricultural products in the areas that produce them, but at the same time keep price controls to satisfy the CIO and other radical groups, in the large industrial centers. Controls were removed first before the elections in 1944 and I would expect the same maneuvering again.

If I were selfish, I would secretly hope that OPA would continue because I am satisfied it will make more Republicans than the National Republican Committee or any other group could possibly make. If this bill is enacted, it will certainly mean that the Republicans will control this House after January 1947.

I am convinced, Mr. Speaker, that this bill will cause so much confusion in the

agricultural and industrial centers that production will drop and food and scarce articles will again be hard to find in the legitimate markets of the country.

Mr. Speaker, I shall vote for rent controls in areas where needed, but I cannot support a bill which places the shackles of bureaucracy back upon a free enterprise which to date has demonstrated beyond the question of a doubt that it can produce and sell items needed by a hungry public below the original OPA ceilings and without the bureaucratic regimentation and red tape which must follow the enactment of this bill.

Mr. GARDNER. Mr. Speaker, the present bill which is under consideration at this time and sent to us under a parliamentary situation which prohibits amendments on the floor of the House is in my opinion much worse from an administrative standpoint than the price control bill which was sent to the President and which received his veto on June 29. Mr. Speaker, his action in vetoing the previous OPA extension bill places me in a position for the first time voting to permit controls to be taken off of specific items for any length of time. My voting record on the amendments to the bill which he vetoed June 29 will show that I voted against the elimination of controls on any specific items such as meat, poultry, dairy products, and so forth. However, this bill permits these items to remain uncontrolled until August 20, 1946.

The controversy over the extension of price control has never been a question of what Senator TAFT wanted or what Chester Bowles wanted, but it has been a question of whether or not a law enacted by Congress and signed by the President can be ignored by those who are placed in charge of its administration and their own judgment substituted for the terms of law.

As of July 15, 1946, I wired the President as follows:

Present OPA controversy calls for frank statement from you to the American public as to whether you condone the administrative disregard for statutory law in substituting discretion and expediency for fairness and equity. OPA law since June 1942, required administration "to control price in a fair and equitable manner." Zenas Potter, Congressional Information Director, advised me in March 1945 that OPA could not stand an investigation as to fairness and equity because OPA had not been fair and equitable. Chester Bowles in June 1945 advised 50 Congressmen in the Labor Committee meeting room that if OPA was extended for 1 year without amendments he would personally guarantee a fair and equitable administration. July 7, 1945, Chester Bowles advised Congress in a mimeographed letter that it was impossible for him to conduct the OPA in a fair and equitable manner because his assistants insisted on discretion and expediency for their guide. This condition continues under Paul Porter and is the cause of congressional dissatisfaction at this time. The controversy is on the question of whether the retreat to natural economic law shall be gradual or abrupt. A statement from you to the public that you will not appoint to the Price Decontrol Board anyone who has been or is connected with the OPA at any policy making or supervisory level in the district, regional or national offices, will go far to restoring confidence of the American people in the possibility that laws as enacted by Congress will be carried out by the administrative

officials for whom you are responsible. Failure on your part to issue such a statement would justify the presumption that you condone the illegal position of Chester Bowles and Paul Porter as well as all officials charged with writing the price control regulations of OPA and would justify complete statutory elimination of these controls as the only method of assuring equal justice to all.

He has not seen fit to issue a public statement concerning his position on the administrative disregard for statutory law by both Zenas Potter and Chester Bowles who have left the Office of Price Administration. He has not seen fit to publicly announce whom he will select for the Decontrol Board or whether he will attempt to reestablish some of those who were guilty of malfeasance in office by disregarding the text of existing law or whether he will look further for members of this Decontrol Board.

Mr. Speaker, I have consistently fought for administrative respect for the statutory law, and I shall continue to fight to see that the laws as passed by Congress are administered in accordance with their terms. I have always felt that the laws passed by Congress should contain the exact wording and the exact philosophy intended by Congress and that nothing should be left to the discretion of the Administrator by reason of skeleton law.

The bill we have under consideration here complies with that fundamental view of mine and for that reason I intend to vote for it at this time.

The bill extends the life of the Office of Price Administration until June 30, 1947, and states that on that date the Office of Price Administration shall be abolished. It requires the President of the United States to make recommendations by January 15, 1947, concerning needed legislation to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during that balance of the fiscal year 1947, and to insure that general prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter.

My affirmative vote in favor of the passage of this legislation cannot be construed as a vote in favor of all the contents of this bill. But because of the legislative parliamentary predicament in which we find ourselves at this time which prohibits amendments to the bill in the House of Representatives, there will be some features in this bill permitted to become law which are much worse than any provision contained in the bill that was vetoed June 29.

I hope that the President of the United States in fulfilling the requirement of this bill by appointing the members of the Price Decontrol Board will make it a mandatory consideration for his appointment that members shall act on the law as written by Congress and shall not bring into consideration of their duties any personal philosophy such as dominated the Office of Price Administration during the term of Chester Bowles when Mr. Bowles advised that he was not fair and equitable, had no intention of being fair and equitable at the beginning of his administration, and, therefore, could not stand an investigation of his administration as to fairness and equity.

Mr. VORYS of Ohio. Mr. Speaker, I voted for the bill extending OPA over the President's veto. I believe that bill would have worked, if it had passed, to stabilize rents and prices, to encourage production. But OPA is dead, as a result of the President's veto. This bill is an attempt, not to continue and taper off a live operation, but an attempt to revive and build up something that is very dead. It would take a very good bill to do this. I have attempted to analyze this long complicated, compromise presented here. It is full of exceptions, duplications, decontrols, reconcontrols, subcontrols, demicontrols, sleepers, and words and phrases that mean different things to different people. The compromise apparently consisted of putting in everything anybody wanted, and then taking it out again by interpretations and exceptions. I would vote for a workable and effective price control bill. I cannot see how this bill will work, or be effective for any purpose except political purposes; to keep 37,000 OPA employees on the pay roll, so as to spend the seventy-five millions appropriated for them, and add a billion dollars to the public debt for subsidies.

A majority of this House has never before voted in favor of consumers' subsidies. We repeatedly showed by our votes that we thought consumers' subsidies were unsound and immoral. All we ever did was to vote limitations on subsidies which the President had already put into effect. Today is the first time we have ever voted on this question when there were no subsidies in effect. I cannot see how we are justified in reinstating subsidies, now that the country has weathered the shock of removing them. It is as if a cripple who had learned to get along without crutches deliberately took to wearing them again. My guess is that if this bill becomes law you will see a subsidized price rollback just before election, and that will be the only price reduction ever accomplished by this bill.

I am voting to continue rent controls, although I believe this can be done better by the States.

I have thought about voting for this bill as a gesture to show that I wish we had effective price control. I know that many of my colleagues, who share my pessimism about this bill, are voting for it on this basis. I cannot bring myself to do it. I believe it is almost as phony as the 20-day bill the House passed July 1, and time has already demonstrated that that bill was a 100-percent phony.

Nothing will happen under this bill until August 20. The country will then have been without price control for 7 weeks. It would be difficult to reinstate price control under such circumstances with any bill. It would be almost impossible to do it with this bill. It will be completely impossible to do it with this bill under an administration that has already demonstrated its impotence under past OPA laws, and already confessed its impotence to administer a law like this. The confusion, uncertainty, and exasperation that will be caused by the deluge of new regulations and orders under this bill will hamper production and dislocate our economy, but will not keep

prices down for long, if at all. Meanwhile, the black markets will flourish once more.

I think this bill should go back to conference for another try. If not, then it should be sent to the President by those who have confidence in the administration that will put it into effect. I am voting "no" on this conference report.

EXTENSION OF PRICE CONTROL

Mr. HINSHAW. Mr. Speaker, I have listened to the reading of House Report No. 2629, being the conference report on the extension of the Emergency Price Control and Stabilization Acts, and meanwhile have read it to myself. I have supported the extension of price-control and stabilization legislation and all necessary appropriations, but this conference report is something I cannot support. If the provisions of this conference report become law, it will not prove effective in the control of prices, while its administrative features are strong enough to permit the OPA to crucify everyone concerned, and the bill itself is so balled up as to confuse everyone and anyone who may attempt to abide by it. The American people have a faculty for ignoring laws which they feel to be unjust, and I believe that will be the course of action taken with this extension of price-control and stabilization legislation.

My colleague the gentleman from California [Mr. LEA] has stated that he intends to move to recommit the bill with instructions to strike out everything but the rent-control provisions. I intend to vote against that motion for two reasons: First, because it is unjust to remove price controls on everything else but rents, and then expect rental property owners to be able to maintain their premises and pay taxes. Rents are the only prices that have not been increased since the Price Control Act went into effect, but property owners must pay double and treble the prices for their maintenance and repairs, and taxes have increased from 25 to 40 percent. Furthermore, the legislative bodies in Los Angeles County and in the city of Los Angeles and Glendale, Calif., have instituted rent controls, allowing a 15-percent increase in rents as an interim measure, and it is my firm belief that to cause the roll-back of such rentals will serve only to decrease the number of rental units that would be made available at a time when housing is short enough. I have long taken the position that if the OPA Rent Control Division were as considerate of the owners of rental property as they have been with certain suppliers of needed merchandise, that many thousands of rental units would be made available for rent in the Los Angeles area. That assumption has been proved by the investigation of an interim committee of the California State Legislature. That committee reported earlier this summer to the effect that in the city of Los Angeles alone, such consideration would result in making available rental units that would house more than 125,000 people.

When the vote comes on the question of agreeing with the conference report, I must vote against it, because I am convinced that it will create utter confusion, create more black markets, and dry up

the supply of more goods, thereby accentuating shortages, than the bill which I voted for and which the President vetoed on July 29 last.

My vote against the conference report does not mean that I am opposed to proper price control, for my position in that matter has been clearly indicated in the recent past by my votes in favor of extending price control. The pending measure, however, borders on being a legislative monstrosity, as I read it.

A BILL TO LEGALIZE CHAOS

Mr. CASE of South Dakota. Mr. Speaker, the new OPA bill, in my judgment, will be a bitter disappointment and I cannot vote to approve it in the form now before us.

This bill will legalize chaos and establish uncertainty by statute.

Until the 20th of August, producers and processors of the major food items such as meat, milk, grains, and soybeans, will not know whether they are to be placed under control again or not. They may expect to be, but until the decontrol board speaks, they will not know. They will be in the state of mind of the man in the death cell who has taken an appeal.

And the other group of food producers who deal with poultry and eggs will be in the position of the convict who is out on parole. They will never know when the parole will be forfeited.

Both groups will be on a 30-day basis. If business in this country can operate on a 30-day basis, it will be something to see. Dealers will be forced to speculate on inventories. Producers and manufacturers will either gamble or go out of business.

How can you feed, how can you buy livestock to feed, unless you know whether normal and seasonal factors will govern the price when you sell?

The ideas of three men, whose whims and tendencies are not known, will determine the capricious course of prices and production.

I have voted consistently to give price control a chance, Mr. Speaker when there was a chance. I have voted as consistently against fooling the people by giving them an unworkable act. That is why I voted against sending to the President the bill he vetoed and I shall certainly vote against sending him this bill although he and his spokesmen apparently are asking for it.

To be specific, I voted to send to the Senate the first bill because it was necessary that the other body have a whack at it if any bill was to develop, but I could not see anything but futility in the Senate amendments and voted against concurrence in them. And, of course, I voted to sustain the veto.

I voted for the 20-day temporary extension, in the belief that time should be provided for getting a workable bill if that was possible. If the bill now before us is the best bill obtainable, then I must conclude that a satisfactory general price control bill is impossible to get at this time.

I shall vote for continuing rent control alone if we are given an opportunity to do so, because there is a serious shortage of housing and it cannot be ended overnight. With most foods and cloth-

ing, it is possible to get along or find something else that will do. Supply will respond to the demand, in most things, but it will take time for housing to do so.

It is interesting to note, Mr. Speaker, that tobacco and petroleum are decontrolled by the bill now presented to us. I am reminded of the remark credited to a distinguished gentleman, the other day, when another body had completed its work on the bill. It was to the effect that there must be some sore backs around because there had been so much back scratching.

The history of price-control efforts in World War II is the story of an attempt to control the other fellow.

The first stabilization bill put a ceiling on farm products but left the lid off wages and things the farmer had to buy. The second act continued the ceiling on farm products and propped up wages with a floor—the so-called Little Steel formula of a 15-percent boost.

When the fighting war ended, wage controls were abandoned and the President said, in effect, that any group which called a strike for it could get an 18 percent increase, and to insure the increase in Big Steel, he approved a \$5-per-ton increase for steel across the board.

Farm machinery was needed by the farmer to produce food. Higher steel and higher wages force higher prices for machinery. The average farmer would gladly pay more if he could but get the machinery. For the average farmer is just too trusting; he simply cannot believe that the powers that be will actually put a lid on what he has to sell while pushing up the price of what he has to buy. Or is he?

This bill, if it becomes law, will teach him.

Sooner or later, Mr. Speaker, this country and all the people in it will have to learn that we cannot have our cake and eat it, too. You cannot permanently put prices in a strait-jacket and let costs run wild. The taxpayers of this Nation will dig up over \$6,000,000,000 to foot the bill for consumer subsidies paid out of the Treasury between 1940 and 1945—that with interest for the part of the grocery bill passed on to the future.

We have been deluded by the talk about prices and goods. Men have forgotten that in this country we have another way to control the value of money. That is the use of our gold reserves.

We really do not need OPA to guard against a runaway inflation as long as we have a gold supply and can readily convert the value of our paper currency to its original basis or to any other gold ratio basis that Congress may see fit to adopt. Paper money can be given a real value whenever we want to do it; that is where our situation is unlike that of China or Germany or Austria.

To be sure, I do not know how long it would take some of the current controllers to accept the idea that gold talks an international language and has a real value independent of rules and regulations. Some day, however, the chips will be down and gold will be admitted to be what it is.

It is hard to kick against the stubborn law of supply and demand. Eventually,

artificial decrees on prices must cease and the country must fit prices to costs and let demand inspire or check production as the case may be. During the past 3 weeks we had begun to do that. Why now try to decree artificial prices by fiat and have to adjust all over again? And, especially, why do it by requiring uncertainty and confusion as this bill does?

Mr. SPENCE. Mr. Speaker, I yield the remainder of my time to the gentleman from Massachusetts [Mr. McCORMACK].

The SPEAKER. The gentleman from Massachusetts is recognized for 10 minutes.

Mr. McCORMACK. Mr. Speaker, several days ago when we sent this bill to conference my good and valued friend the gentleman from Michigan [Mr. Wolcott], whom I admire very much, expressed serious doubt, in fact I think he probably expressed himself more frankly, as to the inability of the conferees to get together and agree upon a bill. Respecting his views, as I always do, I could not agree with him, and I expressed optimism and confidence that if the bill went to conference the conferees would be able to get together and adopt an acceptable bill. A majority, the great majority, of the conferees have done that. The bill before us, in my opinion, constitutes an acceptable bill. It is a bill which, in my opinion, and I am expressing my opinion only, will become law. As I confidently expressed my opinion several days ago about the ability of the conferees to get together and agree upon a bill. I now express with equal confidence the statement that this bill is acceptable, and if the conference report is adopted by both branches it will become law.

This bill enables control, a control sufficient under the circumstances, to meet the national interests of our country and the best interests of our people. It possesses something that was lacking in the last bill which was sent to the President and which he vetoed. The gentleman from Wisconsin [Mr. MURRAY] in commenting upon the remarks made by the gentleman from Georgia [Mr. BROWN] misconstrued, as I understand it, what the gentleman from Georgia said. The gentleman from Georgia [Mr. BROWN] said that his amendment in the present conference report covering reasonable profits, and so forth, is workable and will be workable, whereas the provisions of the Taft amendment were such that if they had been incorporated into law they would not have been workable. I will ask the gentleman from Georgia [Mr. BROWN] if my understanding of his statement is correct?

Mr. BROWN of Georgia. That is practically true. I think reasonable profit was the goal Mr. Taft was shooting at, but in his language it would have been most difficult to enforce. On my amendment Mr. Taft has agreed with me by voting for it.

Mr. KUNKEL. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. There is a similar amendment in the OPA Act and has been since 1944.

Mr. McCORMACK. Yes, I understand that.

Mr. KUNKEL. It has been administered since that time by the OPA.

Mr. McCORMACK. Yes.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. The last page of the original bill that came from the Banking and Currency Committee shows that cotton was taken care of just as much as the Taft amendment took care of all the rest of the businesses in the United States.

Mr. McCORMACK. I think I have corrected any misunderstanding the gentleman from Wisconsin in good faith had about the remarks made by the gentleman from Georgia [Mr. BROWN]. Certainly the gentleman from Georgia has clarified it and the gentleman from Wisconsin ought to accept the statement made by the gentleman from Georgia [Mr. BROWN].

Mr. MURRAY of Wisconsin. If the gentleman from Georgia leaves his remarks in the RECORD as he made them, then we may find out.

Mr. McCORMACK. I am surprised at the gentleman from Wisconsin making an observation of that kind. He amazes me.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Getting back to the statement made by the gentleman from Georgia, subsection (f) starts out by saying:

If the maximum prices of a product on the average equal its average current total cost plus a reasonable profit.

No further adjustment must be made.

One of the alternate standards under the Barkley amendment is almost exactly the same language where it says that the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average total cost of the product plus the industry's average over-all profit margin on sales in the base period.

What is the reason for bringing in there that repetition if the words following that do not control, and if the words following that do control then the Administrator is given authority to control production.

Mr. McCORMACK. Mr. Speaker, we have before us a bill that we will have to vote up or down. The bill constitutes, in my opinion, the most acceptable bill that the conferees could arrive at. We are in a legislative situation where amendments cannot be offered.

The gentleman from California [Mr. LEA] has served notice that if he is recognized he is going to offer a motion to recommit. In order for the gentleman from California to be recognized, the Republican Members who have the prior right to be recognized, and this means anyone of them, will not offer such a motion to recommit. No Member of the Republican Party will offer a motion to recommit.

The gentleman says he is going to offer a motion to recommit to strike out everything but rents. How does he think rents are going to be stabilized or frozen if everything else goes sky high? That would not be fair to the owners of property if we do not control prices on other things that people eat and which they have to buy, and then freeze rents. On the other hand, if you let this condition exist it would not be fair to the public where you confine it to rents only, because you cannot in practical operation freeze rents only. It would not be fair all along from that angle. It would not be fair to the tenant, and it would not be fair to the owner. Certainly it would not be fair to the man who wore the uniform in the last war and came back and expected to buy something for the dollar he receives either as a pension or the salary he now receives from private employment.

This is an acceptable bill. I use the word "acceptable" and not the word "agreeable." It is the best bill, I think, we could obtain. I think the conferees did a remarkable job. Those who did not sign the report exercised their conscience and their judgment, and I respect them deeply in disagreement. But, a great majority of the conferees in both bodies signed the report. With the difficulties that confronted them, I think the conferees on both sides rose to the heights of statesmanship. They agreed upon a bill under the most difficult conditions. That bill is now before us. We cannot very well adjourn Congress without passing under the present conditions some kind of price-control legislation. There ought to be some kind of price-control legislation on the books in the interest of the American people. If we adjourn Congress and prices go pyramiding as they are likely to—because they rose over 75 percent on an average in the 9 months after controls were taken off following the first World War, and we are going to undergo some additional experiences because there are more shortages now than after the first World War—and if prices increase now, coupled with no price control, I am inclined to think that the people of the United States in November, particularly in close districts, no matter who represents that district, Republican or Democrat, are likely to exercise some control of their own.

But, we ought to have the interest of the people at heart. This is an acceptable bill, and I hope the conference report will be agreed to.

The SPEAKER. The time of the gentleman from Massachusetts has expired. All time has expired.

The question is on the conference report.

Mr. LEA. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The Chair will recognize the gentleman if no Member on the minority side desires to offer a motion to recommit.

Is the gentleman from California opposed to the conference report?

Mr. LEA. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. LEA moves to recommit House Joint Resolution 371 to the Committee on Conference with instructions to the conferees on the part of the House to insist on striking out all of the provisions of the Senate amendments other than those relating to rent control.

Mr. SPENCE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. WADSWORTH) there were—ayes 120, noes 159.

Mr. COLE of Missouri. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 135, nays 219, answered "present" 2, not voting 74, as follows:

[Roll No. 234]

YEAS—135

Allen, Ill.	Gillette	Miller, Nebr.
Andersen,	Gillie	Mundt
H. Carl	Goodwin	Murray, Wis.
Andresen,	Graham	Norblad
August H.	Griffiths	O'Hara
Arends	Gross	Phillips
Arnold	Gwinn, N. Y.	Pickett
Barden	Gwynne, Iowa	Plumley
Beall	Hagen	Rankin
Bennett, Mo.	Hale	Reed, Ill.
Bishop	Hall	Reed, N. Y.
Blackney	Edwin Arthur	Rees, Kans.
Brehm	Hancock	Rich
Brown, Ohio	Harness, Ind.	Rizley
Brumbaugh	Henry	Robertson,
Buck	Hess	N. Dak.
Buffett	Hoeven	Robison, Ky.
Butler	Hoffman, Mich.	Rodgers, Pa.
Byrnes, Wis.	Hoffman, Pa.	Schwabe, Mo.
Cannon, Mo.	Hope	Schwabe, Okla.
Carlson	Howell	Scrivner
Case, S. Dak.	Jenkins	Shafer
Chapfield	Jennings	Sharp
Church	Jensen	Simpson, Ill.
Clevenger	Johnson, Ill.	Simpson, Pa.
Cole, Mo.	Johnson, Ind.	Smith, Ohio
Cole, N. Y.	Jones	Smith, Wis.
Cunningham	Jonkman	Springer
Curtis	Kelly, Ill.	Stefan
D'Ewart	Kinzer	Stockman
Dirksen	Knutson	Sumner, Ill.
Dolliver	Landis	Taber
Dondero	Lanham	Talle
Dworschak	Larcade	Tarver
Eaton	Lea	Thomas, N. J.
Elliott	LeCompte	Tibbott
Ellis	LeFevre	Towe
Ellsworth	Lemke	Vorys, Ohio
Elston	Lewis	Vursell
Fellows	McConnell	Wadsworth
Fenton	McCowan	Weichel
Fisher	McGregor	Wilson
Fuller	McMillen, Ill.	Winter
Gavin	Martin, Iowa	Wolcott
Gearhart	Mason	Woodruff
Gibson	Morrow	
Gifford	Michener	

NAYS—219

Abernethy	Camp	Douglas, Ill.
Almond	Campbell	Doyle
Andrews, Ala.	Canfield	Drewry
Angell	Cannon, Fla.	Durham
Auchincloss	Carnahan	Eberharter
Bailey	Case, N. J.	Elsaesser
Baldwin, N. Y.	Celler	Engle, Calif.
Barrett, Pa.	Chapman	Ervin
Barrett, Wyo.	Chelf	Fallon
Barry	Clark	Feighan
Bates, Mass.	Clason	Fernandez
Bell	Clements	Flannagan
Bender	Colmer	Flood
Biemiller	Cooley	Fogarty
Bland	Corbett	Folger
Bloom	Crosser	Forand
Bolton	D'Alesandro	Fulton
Bonner	Davis	Gallagher
Bradley, Pa.	Dawson	Gamble
Brooks	Delaney,	Gardner
Brown, Ga.	James J.	Gary
Buchanan	Dingell	Gathings
Buckley	Domengeaux	Geelan
Bulwinkle	Doughton, N. C.	Gerlach
Byrne, N. Y.	Douglas, Calif.	Gordon

Gore	LaFollette	Resa
Gorski	Lane	Richards
Granahan	Latham	Riley
Granger	Lesinski	Robertson, Va.
Grant, Ala.	Link	Roe, N. Y.
Grant, Ind.	Luce	Rogers, Fla.
Green	Lyle	Rogers, Mass.
Gregory	Lynch	Rogers, N. Y.
Hall	McCormack	Rooney
Leonard W.	McDonough	Rowan
Hand	McGlinchey	Ryter
Hare	Madden	Sabath
Harless, Ariz.	Manasco	Sadowski
Harris	Marcantonio	Sasscer
Hart	Mathews	Savage
Hartley	Mills	Sheppard
Havenner	Monroney	Sheridan
Hays	Morgan	Sikes
Healy	Murdock	Smith, Maine
Hedrick	Murray, Tenn.	Smith, Va.
Heffernan	Neely	Somers, N. Y.
Hendricks	Norrell	Spence
Herter	O'Brien, Ill.	Starkey
Heseltun	O'Brien, Mich.	Stevenson
Hinshaw	O'Konski	Stigler
Hobbs	O'Neal	Sullivan
Hoch	O'Toole	Summers, Tex.
Holmes, Mass.	Outland	Sundstrom
Holmes, Wash.	Pace	Talbot
Hook	Patman	Taylor
Horan	Patrick	Thom
Huber	Patterson	Thomas, Tex.
Hull	Peterson, Fla.	Thomason
Jackson	Pfeifer	Traynor
Jarman	Philbin	Trimble
Johnson, Calif.	Pittenger	Voorhis, Calif.
Johnson, Tex.	Ploeser	Walter
Judd	Poage	Wasielewski
Kean	Powell	Weaver
Kearney	Pratt	White
Kee	Price, Fla.	Whitten
Keefe	Price, Ill.	Whittington
Kelley, Pa.	Quinn, N. Y.	Wigglesworth
Keogh	Rabaut	Winstead
King	Rabin	Wolverton, N. J.
Kirwan	Rains	Woodhouse
Klein	Ramey	Worley
Kopplemann	Randolph	Zimmerman
Kunkel	Rayfield	

ANSWERED "PRESENT"—2

Martin, Mass. Rivers

NOT VOTING—74

Adams	De Lacy	Mansfield, Tex.
Allen, La.	Delaney,	May
Anderson, Calif.	John J.	Miller, Calif.
Andrews, N. Y.	Earthman	Morrison
Baldwin, Md.	Engel, Mich.	Norton
Bates, Ky.	Gillespie	Peterson, Ga.
Backworth	Gossett	Priest
Bennet, N. Y.	Halleck	Reece, Tenn.
Boren	Hébert	Robinson, Utah
Boyer	Hill	Rockwell
Bradley, Mich.	Holifield	Roe, Md.
Bryson	Izac	Russell
Bunker	Johnson, Okla.	Short
Chenoweth	Kefauver	Slaughter
Clippinger	Kerr	Sparkman
Cochran	Kilburn	Stewart
Coffee	Kilday	Tolan
Cole, Kans.	Ludlow	Torrens
Combs	McGehee	Vinson
Cooper	McKenzie	Welch
Courtney	McMillan, S. C.	West
Cox	Mahon	Wickersham
Cravens	Maloney	Wolfenden, Pa.
Crawford	Mankin	Wood
Curley	Mansfield,	
Daughton, Va.	Mont.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Short for, with Mr. Andrews of New York against.

Mr. Bradley of Michigan for, with Mr. Bennet of New York against.

Mr. Roe of Maryland for, with Mr. Kerr against.

Mr. Chenoweth for, with Mr. Martin of Massachusetts against.

Mr. Cole of Kansas for, with Mr. Morrison against.

Mr. Wood for, with Mr. John J. Delaney against.

Mr. Wolfenden of Pennsylvania for, with Mr. Izac against.

Mr. Clippinger for, with Mr. Welch against.

Mr. Rivers for, with Mr. Bryson against.

General pairs until further notice:

Mr. Kefauver with Mr. Halleck.
Mr. Maloney with Mr. Adams.
Mr. Wickersham with Mr. Hill.
Mrs. Norton with Mr. Crawford.
Mr. McKenzie with Mr. Gillespie.
Mr. Daughton of Virginia with Mr. Andrews of California.
Mr. De Lacy with Mr. Rockwell.
Mr. Vinson with Mr. Kilburn.
Mr. Priest with Mr. Reece of Tennessee.

Mr. BUTLER and Mr. ROBSON of Kentucky changed their votes from "nay" to "yea."

Mr. RIVERS. Mr. Speaker, I have a live pair with the gentleman from South Carolina, Mr. BRYSON. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. MARTIN of Massachusetts. Mr. Speaker, I have a live pair with the gentleman from Colorado, Mr. CHENOWETH. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

Mr. SPENCE and Mr. WOLCOTT demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 210, nays 142, answered "present" 2, not voting 76, as follows:

[Roll No. 235]

YEAS—210

Almond	Elsaesser	Jarman
Andrews, Ala.	Elston	Johnson, Calif.
Angell	Engle, Calif.	Johnson, Tex.
Auchincloss	Ervin	Judd
Bailey	Fallon	Kean
Baldwin, N. Y.	Feighan	Kearney
Barrett, Pa.	Fenton	Kee
Barrett, Wyo.	Fernandez	Kelley, Pa.
Barry	Flannagan	Kelly, Ill.
Bates, Mass.	Flood	Keogh
Bell	Fogarty	King
Bender	Folger	Kirwan
Biemiller	Forand	Klein
Blackney	Gallagher	Kunkel
Bland	Gamble	LaFollette
Bloom	Gardner	Lane
Bolton	Gary	Latham
Bonner	Gathings	Lesinski
Bradley, Pa.	Geelan	Link
Brooks	Gerlach	Luce
Brown, Ga.	Gifford	Lyle
Buchanan	Gordon	Lynch
Buckley	Gore	McCormack
Bulwinkle	Gorski	McDonough
Butler	Graham	McGlinchey
Byrne, N. Y.	Granahan	Madden
Camp	Granger	Manasco
Canfield	Grant, Ala.	Marcantonio
Cannon, Fla.	Green	Mathews
Carnahan	Gregory	Monroney
Case, N. J.	Hall	Morgan
Celler	Edwin Arthur	Murdock
Chapman	Hall	Murray, Tenn.
Chelf	Leonard W.	Neely
Clark	Hand	O'Brien, Ill.
Clason	Hare	O'Brien, Mich.
Clements	Harless, Ariz.	O'Neal
Colmer	Harris	O'Toole
Corbett	Hart	Outland
Crosser	Hartley	Patman
D'Alesandro	Havenner	Patrick
Davis	Hays	Patterson
Dawson	Healy	Pfeifer
Delaney,	Hedrick	Philbin
James J.	Heffernan	Ploeser
Dingell	Hendricks	Poage
Domengeaux	Herter	Powell
Dondero	Heseltun	Pratt
Doughton, N. C.	Hobbs	Price, Fla.
Douglas, Calif.	Hoch	Price, Ill.
Douglas, Ill.	Holmes, Wash.	Quinn, N. Y.
Doyle	Hook	Rabaut
Drewry	Horan	Rabin
Durham	Huber	Rains
Eaton	Jackson	Ramey
Eberharter		Randolph

Rayfield	Sharp	Thomason
Resa	Sheppard	Tibbott
Richards	Sheridan	Traynor
Riley	Smith, Maine	Trimble
Robertson, Va.	Smith, Va.	Voorhis, Calif.
Roe, N. Y.	Somers, N. Y.	Walter
Rogers, Fla.	Spence	Wasielewski
Rogers, Mass.	Starkey	Weaver
Rogers, N. Y.	Stigler	White
Rooney	Sullivan	Whittington
Rowan	Sundstrom	Wigglesworth
Ryter	Talbot	Wolverton, N. J.
Sabath	Taylor	Woodhouse
Sadowski	Thom	Worley
Savage	Thomas, Tex.	Zimmerman

NAYS—142

Abernethy	Gross	O'Hara
Allen, Ill.	Gwynn, N. Y.	Pace
Andersen, H. Carl	Hagen	Peterson, Fla.
Andresen, August H.	Hale	Phillips
Arends	Hancock	Pickett
Arnold	Harness, Ind.	Pittenger
Barden	Henry	Plumley
Beall	Hinschaw	Rankin
Bennett, Mo.	Hoeven	Reed, Ill.
Bishop	Hoffman, Mich.	Reed, N. Y.
Brehm	Hoffman, Pa.	Rees, Kans.
Brown, Ohio	Holmes, Mass.	Rich
Brumbaugh	Hope	Rizley
Buck	Howell	Robertson, N. Dak.
Buffett	Hull	Robison, Ky.
Byrnes, Wis.	Jenkins	Rodgers, Pa.
Campbell	Jennings	Schwabe, Mo.
Cannon, Mo.	Jensen	Schwabe, Okla.
Carlson	Johnson, Ill.	Scrivner
Case, S. Dak.	Johnson, Ind.	Shafer
Chiperfield	Jones	Sikes
Church	Jonkman	Simpson, Ill.
Clevenger	Keefe	Simpson, Pa.
Cole, Mo.	Kinzer	Smith, Ohio
Cole, N. Y.	Knutson	Smith, Wis.
Cooley	Kopplemann	Springer
Cunningham	Landis	Stefan
Curtis	Lanham	Stevenson
D'Ewart	Larcade	Stockman
Dirksen	Lea	Sumner, Ill.
Dolliver	LeCompte	Sumners, Tex.
Dworshak	LeFevre	Taber
Elliott	Lemke	Talle
Ellis	Lewis	Tarver
Ellsworth	McConnell	Thomas, N. J.
Fellows	McCowan	Towe
Fisher	McGregor	Vorys, Ohio
Fuller	McMillen, Ill.	Vursell
Fulton	Martin, Iowa	Wadsworth
Gavin	Mason	Weichel
Gearhart	Morrow	Whitten
Gibson	Michener	Wilson
Gillette	Miller, Nebr.	Winstead
Gillie	Mills	Winter
Goodwin	Mundt	Wolcott
Grant, Ind.	Murray, Wis.	Woodruff
Griffiths	Norblad	
	Norrell	

ANSWERED "PRESENT"—2

Martin, Mass. Rivers

NOT VOTING—76

Adams	De Lacy	Mansfield, Tex.
Allen, La.	Delaney,	May
Anderson, Calif.	John J.	Miller, Calif.
Andrews, N. Y.	Earthman	Morrison
Baldwin, Md.	Engel, Mich.	Norton
Bates, Ky.	Gillespie	O'Konski
Beckworth	Gossett	Peterson, Ga.
Bennet, N. Y.	Halleck	Priest
Boren	Hébert	Reece, Tenn.
Boykin	Hill	Robinson, Utah
Bradley, Mich.	Holtfield	Rockwell
Bryson	Izad	Roe, Md.
Bunker	Johnson, Okla.	Russell
Chenoweth	Kefauver	Sasser
Clippinger	Kerr	Short
Cochran	Kilburn	Slaughter
Coffee	Kilday	Sparkman
Cole, Kans.	Ludlow	Stewart
Combs	McGehee	Tolan
Cooper	McKenzie	Torrens
Courtney	McMillan, S. C.	Vinson
Cox	Mahon	Welch
Cravens	Maloney	West
Crawford	Mankin	Wickersham
Curley	Mansfield,	Wolfenden, Pa.
Daughton, Va.	Mont.	Wood

So the conference report was agreed to.
The Clerk announced the following pairs:

On this vote:

Mr. Andrews of New York for, with Mr. Short against.

Mr. Bennet of New York for, with Mr. Bradley of Michigan against.

Mr. Kerr for, with Mr. Roe of Maryland against.

Mr. Martin of Massachusetts for, with Mr. Chenoweth against.

Mr. Morrison for, with Mr. Cole of Kansas against.

Mr. John J. Delaney for, with Mr. Wood against.

Mr. Izac for, with Mr. Wolfenden of Pennsylvania against.

Mr. Welch for, with Mr. Clippinger against.
Mr. Bryson for, with Mr. Rivers against.

Additional general pairs:

Mr. Priest with Mr. Reece of Tennessee.

Mr. Vinson with Mr. Kilburn.

Mr. De Lacy with Mr. Rockwell.

Mr. Daughton of Virginia with Mr. Andrews of California.

Mr. McKenzie with Mr. Gillespie.

Mrs. Norton with Mr. Crawford.

Mr. Wickersham with Mr. Hill.

Mr. Maloney with Mr. Adams.

Mr. Kefauver with Mr. Halleck.

Mr. Sparkman with Mr. Engel of Michigan.

Mr. RICHARDS changed his vote from "nay" to "yea."

Mr. RIVERS. Mr. Speaker, I am paired with the gentleman from South Carolina, Mr. BRYSON. If present he would vote "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. MARTIN of Massachusetts. Mr. Speaker, I am paired with the gentleman from Colorado, Mr. CHENOWETH. If he were present he would vote "nay." I voted "yea." I withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

House Resolution 670 was laid on the table.

A motion to reconsider was laid on the table.

DISPENSING WITH CALENDAR
WEDNESDAY BUSINESS

Mr. GORE. Mr. Speaker, in view of the pressure of time in the closing days of the Congress, and due to the importance of certain bills to come before the Congress, including social-security amendments, the reorganization of Congress, and other important pending matters, and since there is no particular point to be served in the preservation of Calendar Wednesday tomorrow, I move that Calendar Wednesday business be dispensed with.

The SPEAKER. The question is on the motion offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 192, noes 34.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in the affirmative) the motion was agreed to.

Mr. McCORMACK. Mr. Speaker, in view of the motion just adopted, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

Mr. MARCANTONIO and Mr. POWELL objected.

COMMITTEE ON EDUCATION

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that the Committee on Education may be permitted to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION

Mr. BLOOM submitted the following conference report and statement on the Resolution (H. J. Res. 305) providing for membership and participation by the United States in the United Nations Educational, Scientific, and Cultural Organization, and authorizing an appropriation therefor:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 305) providing for membership and participation by the United States in the United Nations Educational, Scientific, and Cultural Organization, and authorizing an appropriation therefor, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 to 6, inclusive, and agree to the same.

SON BLOOM,

JOHN KEE,

CHESTER E. MERROW,

Managers on the Part of the House.

JAMES E. MURRAY,

JAMES M. TUNNELL,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 305) providing for membership and participation by the United States in the United Nations Educational, Scientific, and Cultural Organization, and authorizing an appropriation therefor, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments 1 and 6 relate to citizenship requirements. As the bill passed the House, it contained a restriction on citizenship, requiring that representatives and alternates to UNESCO must be American citizens and must have been such for at least 15 years. The bill also contained a restriction that members of the National Commission must have been American citizens for at least 5 years. The Department of State asked that these two provisions on citizenship be eliminated. The Department pointed out that it is extremely unlikely—probably impossible—that a recently naturalized citizen would ever be selected by this Government or by his fellow citizens as a spokesman for American education or culture. It was also pointed out that any law which implies that a native-born citizen is superior to a foreign-born citizen, or that a citizen naturalized for 15 years is better than one naturalized for 5 years, is unsound law and is an unnecessary reflection on all citizens of foreign birth. In its present form the bill simply specifies that representatives, alternates, and members of

DIGEST OF

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 25, 1946
For actions of July 24, 1946
79th-2nd, No. 146

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HIGHLIGHTS: Senate agreed to conference report on price-control measure. Senate committee reported bill to provide for Under Secretary of State for Economic Affairs. Sen. Barkley announced that it is planned for Congress to adjourn sine die next week. House agreed to conference report on UNESCO measure.

SENATE

- 1. PRICE CONTROL.** Agreed, 53-26, to the conference report on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts (pp. 9995-10064). Agricultural commodities were discussed throughout the debate. This measure will now be sent to the President.
- 2. MEDITERRANEAN FRUITFLY.** Sen. Andrews, Fla., spoke in favor of S. 1250, to provide for payment of claims on account of damages during the Mediterranean fruitfly campaign, and Majority Leader Barkley said he would not object to consideration of the measure before adjournment (pp. 9994-5).
- 3. FOREIGN RELATIONS.** The Foreign Relations Committee reported without amendment H. R. 6646, to establish the office of Under Secretary of State for Economic Affairs (S. Rept. 1824)(p. 9992).
- 4. ALASKAN HIGHWAY.** The Foreign Relations Committee reported without amendment H.R. 2871, to create an Alaskan International Highway Commission (S. Rept. 1825)(p. 9992).
- 5. TERMINAL LEAVE.** Conferees on H. R. 4051, to grant enlisted personnel of the armed forces certain benefits in lieu of accumulated leave, were appointed in both Houses (pp. 9946, 10027).
- 6. LEGISLATIVE PROGRAM.** Majority Leader Barkley announced that it is the plan for Congress to adjourn sine die some time next week (p. 9994). Under this arrangement there would be no further session of the 79th Congress unless the President were to call a special session.

7. SOCIAL SECURITY. Passed without amendment H.R. 7037, to amend the Social Security Act (pp. 9961-85). During the debate Rep. Lynch, N.Y., discussed advantages if agricultural and domestic workers and self-employed were included (p. 9982).
8. SURPLUS LANDS. Reps. Manasco, Whittington, Hart, Hoffman (Mich.), and Bender were appointed conferees on H.R. 6702, to clarify the rights of former owners of real property to reacquire such property under the Surplus Property Act (p. 9948).
9. HOUSING. The Public Buildings and Grounds Committee reported with amendments S. 2085, to authorize the FWA to provide needed educational facilities, other than housing, to educational institutions furnishing courses of training to veterans (H.Rept. 2657) (p. 9990).
Rep. Voorhis, Calif., spoke favoring the Wagner-Ellender-Taft housing bill and discussed the housing situation in Calif. (p. 9944).
10. VOCATIONAL EDUCATION. The Education Committee reported with amendment S. 619, to provide for the further development of vocational education in the several States and Territories (H.Rept. 2658) (p. 9990).
11. UNESCO. Agreed to conference report on H.J.Res. 305, providing for U.S. participation and membership in the United Nations Educational, Scientific, and Cultural Organization (pp. 9947-8). Senate agreed to conference report July 23 (p. 9877). This bill will now be sent to the President.
12. PERSONNEL. Rep. Rich, Pa., criticized increases in the Federal pay roll (p. 9944).
13. GRAIN SHORTAGE. Received sundry petitions favoring and opposing the reduction in grain allocations for the use of breweries (p. 9990).
14. MINIMUM WAGES. Rep. Randolph, W.Va., urged action on the minimum-wage legislation (p. 9945).
Rep. Savage, Wash., spoke favoring minimum-wage increases (pp. 9946-7).
15. PATENTS. Concurred in the Senate amendments to H.R. 5311, to provide that damages be ascertained on the basis of compensation for the infringement of patents (p. 9947). This bill will now be sent to the President.
16. VETERANS' TERMINAL LEAVE. Reps. Lynch (N.Y.) and Rogers (Fla.) spoke favoring payment in cash instead of bonds the amount to be paid enlisted men for accumulated terminal leave under H.R. 4051 (pp. 9944, 9945).

BILLS INTRODUCED

17. GRAZING LANDS. H.R. 7122, by Rep. White, Idaho, relating to the application of State grazing and fencing laws with respect to public lands. To Public Lands Committee. (p. 9990.)
18. LABOR. H.R. 7123, by Rep. LaFollette, Ind., and H.R. 7132, by Rep. Jackson, Wash., to promote the general welfare of the people of the U.S. by establishing a publicly supported labor extension program for wage and salary earners. To Labor Committee. (p. 9990.)

or early next week. I want to be fair about the matter. I wanted Senators to know what was in the bill; therefore I submitted to all of them information respecting it. I should not ask for consideration of the bill on its merits if I did not feel that the bill represented justifiable claims.

Mr. BARKLEY. I appreciate the Senator's statement. He has written me a letter and also spoken to me in person about it. There are several odds and ends in the way of legislation that the Senate will no doubt want to consider on their merits before we conclude our work. So far as I am personally concerned, I certainly should have no objection to the bill referred to by the Senator from Florida being brought before the Senate at some convenient time before we finish, and let it be passed upon on its merits.

Mr. ANDREWS. I thank the distinguished leader. The reason I have made this statement, Mr. President, is that I did not want the bill to be brought up suddenly and Members of the Senate not know what it contained. I wanted to be sure that Members of the Senate would be advised about it. The older Senators, Senators with longer periods of service, know about the subject. Senators now have an up-to-date report on the subject. It happens that the chairman of the Claims Committee, the Senator from Louisiana [Mr. ELLENDER], who introduced the bill, is away in the Pacific, and I have been waiting for him to return. Let me state the reason why we have not brought up this claim during the past 5 years. The reason for delay was because the question always arose, "Will it help win the war?" We delayed bringing it up because we believed the war should be won first. We have waited now a year after the war is over, and I have waited the last few days for the Senator from Louisiana to return from the Pacific. I do not know whether he will return before we adjourn, but if he does not, I should like to call up this measure. I thought I should make that explanation.

Mr. BARKLEY. I thank the Senator.

Mr. ANDREWS. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks copy of a letter which I sent to Senators, and a statement by the special Committee on Claims on the subject under discussion, for the further information of the Senate. I hope the Senators will read it.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

JULY 10, 1946.

Re: S. 1250, Report 492, Mediterranean Fruitfly.

Hon. ALBEN W. BARKLEY,
United States Senate.

DEAR SENATOR BARKLEY: The attached statement is being called to your personal attention at this time for the reason that I plan to call up S. 1250 within the next few days and I wanted you to be informed on the facts involved. Attached also is copy of Senate Report 491 which sets forth all the essential facts upon which I recommend the payment of this long-delayed and just claim, and I will appreciate your using whatever spare time you may have in looking into this matter.

I am retiring from the Senate on January 3, 1947, and if we adjourn sine die during

July or August, we may not meet again until I am no longer a Member of the Senate.

I am vitally interested. I made a pledge when I was elected to the Senate, to the people who were damaged, many of whom lost all they had, that I would do everything in my power to see that they were compensated and justly treated for the damage done them in the effort to save the whole Nation from what might have been a terrible catastrophe. I was a rather extensive fruit grower and was also at the time vice president and general counsel of the Florida Citrus Growers Association and personally experienced these damages first-hand. Thus my knowledge of these facts is neither hearsay nor guesswork.

Your assistance will be personally appreciated by me.

Most sincerely yours,

CHARLES O. ANDREWS.

STATEMENT BY SENATOR CHARLES O. ANDREWS ON S. 1250 WITH ACCOMPANYING SENATE REPORT NO. 491, WHICH IS A BILL TO REIMBURSE FLORIDA GROWERS FOR DAMAGES WHICH THEY SUFFERED IN THE CAMPAIGN FOR THE ERADICATION OF THE MEDITERRANEAN FRUITFLY

Senate bill 2020 was introduced in the Seventy-seventh Congress for the relief of certain claimants who suffered loss and sustained damages as a result of the campaign carried out by the Government for the eradication of the Mediterranean fruitfly in the State of Florida.

Before the Senate Claims Committee would pass on the matter, a joint resolution was adopted by the House and Senate in March and April, of 1940, authorizing and directing a special committee of the Senate and House to make a full and complete investigation with respect to the losses sustained by the campaign and quarantine conducted by the United States in 1929 and 1930 with a view to determining, among other things, the circumstances under which such losses occurred, the nature, character and amount of such losses and the persons by whom such losses were sustained; and that the committee should report to the Congress the result of its investigation, together with its recommendations if any, for necessary legislation. The special committee was composed of Senators Swartz, Ellender, and Wiley, on the part of the Senate, and Congressmen Ramspeck, Thomas, and Kennedy, on the part of the House.

The committee held hearings in Florida in several locations from December 4 to 7, 1940, taking the testimony of approximately 114 witnesses. After consideration of the facts and the extent of the methods pursued with consequent unnecessary damages to those engaged in the citrus and vegetable industries, the joint committee in its Report No. 491, Seventy-ninth Congress, found that obligation rested upon the Congress to compensate those who suffered losses under certain circumstances and among others for reasons set forth, as follows:

(a) That the Mediterranean fruitfly eradication campaign, carried out in Florida during 1929 and 1930, was a Federal Government undertaking, and that the Federal Government has accepted full and complete responsibility for everything that was done at its direction in carrying out the eradication program.

(b) That the Mediterranean fruitfly is not and never was indigenous to Florida, and that under the Constitution the Federal Government has exclusive jurisdiction of foreign commerce and inspections at all receiving ports and therefore the responsibility for the original infestation is theoretically Federal.

(c) That the unnecessary damage suffered by fruit and vegetable growers was due mainly to failure of the Federal Government to formulate a safe and effective plan of eradication and prevention, as in the case

of other insect pests which have heretofore threatened crops in other parts of the United States.

(d) That some of the damage suffered was due to direct infestation but the greater portion of the damage was due to the drastic method and manner of eradication.

(e) That the records show that official statements were made to growers at the time the eradication program was being carried out that they would be entitled to compensation for the losses suffered.

The committee further finds:

1. That the agricultural program of the Federal Government and particularly the policies of the present administration furnish ample precedent for reimbursing the losses sustained as a result of the fruitfly-eradication program.

2. That the citizens of Florida suffered other losses much larger than the damages claimed which they have from the beginning expressed a willingness to absorb, but it is the opinion of the committee that morally, if not strictly legally, they are entitled to be compensated by the Federal Government for losses they sustained for the protection of the fruit and vegetable industry of the other States of the Union.

In addition, the price measure of damages for fruits, vegetables, and field crops were made through the Department of Agriculture (H. Doc. No. 290), transmitted May 10, 1939, to the Senate and House by the Secretary of Agriculture containing carefully tabulated report made by Dr. Ben Galloway, then connected with the United States Plant and Quarantine Commission. His report was made from the records of the Department of Agriculture, together with a personal examination of all other pertinent records available which would aid in securing definite data and figures on the price measure of damages for fruits, vegetables, and field crops destroyed.

Dr. Galloway's report shows the number of commercial crates and boxes of oranges and bushels of vegetables and other fruits destroyed, together with prevailing prices; also other losses caused by poison spray and other damages set out in Report No. 491, Calendar No. 494, which accompanies Senate bill 1250, reintroduced by Senator ELLENDER early in this session.

This matter has been postponed from 1940 to the present date because of war conditions. We were advised and so agreed that every dollar we could afford should be devoted to the winning of the war. The war is now over and although many of the original claimants, being elderly people, have passed on and many are living in other States of the Union, I feel that the matter should now be acted upon.

EXTENSION OF PRICE CONTROL— CONFERENCE REPORT

The Senate resumed consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. BARKLEY. Mr. President, the conference report now before the Senate on the OPA extension does not call for any lengthy explanation, in my judgment, and I hope it will not elicit lengthy debate before it is finally acted upon.

I might say in a general way that the joint resolution which is before us, with two or three exceptions, is in substance the measure which Congress passed previously and which the President vetoed. The general pricing formula and the general provisions for decontrol of agri-

cultural products on initiation of the Secretary of Agriculture, and also on his initiation with reference to the adjustment of prices of agricultural products, remain practically as they were in the original bill, and as it was in the bill which I submitted in the committee as a substitute for the House joint resolution extending the price-control law until the 20th day of July.

The provisions of the original bill setting up the Decontrol Board are retained, with some minor differences, practically as contained in the original bill and in the joint resolution which the Senate passed the other day. It will be recalled that the Board is created as a Decontrol Board; that industrial committees may make application to the Administrator for the decontrol of nonagricultural products, and they can go from him to the Decontrol Board. The Decontrol Board has the authority to direct the Administrator with respect thereto, and give him not to exceed 30 days in which to act, at the expiration of which time, if he does not act, the product involved in the application becomes automatically decontrolled. That is practically what was in the original bill. It is practically what was in the joint resolution we passed the other day, so far as the general powers of the Decontrol Board are concerned.

The two main problems before the conference committee involved the specific decontrols in the joint resolution, some of which were put in by the committee, some of which were added here on the floor, and the so-called Barkley substitute to the original Taft amendment involved in section 11 of the joint resolution which would set up a new section 6 of the Price Control Act.

I think I shall discuss the specific decontrols first. When the joint resolution was passed by the Senate and went to the House, and the House disagreed to the amendment of the Senate, and accepted our invitation to a conference, the conferees met, and the House conferees took the same position in this conference that they had taken in the previous conference, that they would not agree to specific decontrols. The Senate conferees felt it their duty, although some of them had not supported the specific decontrols either in committee or on the floor, to represent the Senate viewpoint as long as it was reasonably expected that they would, recognizing that one side or the other, or both sides, must make some concessions if we were to get any bill at all.

The House conferees voted a number of times in their capacity and separately as House conferees, with reference to decontrols, and at each session of the House conferees separately they declined to yield with respect to decontrols. So it became necessary to work out some basis on which the two Houses could get together.

The Senate had specifically decontrolled livestock, and food and feed products processed therefrom; poultry and eggs, and food and feed products processed therefrom; milk and dairy products, and food and feed products processed therefrom; grains as a whole that come under the Grain Stabilization Act, and in addition to that feed products produced from grain for livestock and

poultry purposes. It did not specifically decontrol the products of grain for human food. So that the Senate rather split the situation in regard to grains. It decontrolled all grains coming under the Grain Stabilization Act, but did not go beyond that, except as to livestock and poultry feed processed from grain.

The Senate also decontrolled specifically petroleum, tobacco, cottonseed, and soybeans. I think that is the list of products which the Senate specifically decontrolled.

The conferees finally arrived at this sort of compromise, which I think is fair, in view of the fact that the OPA law and price control had lapsed during the period from the 30th of June, and in view of the fact that in these categories it was recognized that it was impossible overnight to slap on the ceilings with reference to some of these products, especially meats, and put them back under control.

The conferees divided these specially decontrolled items into two categories. They put grain, livestock, and meat, dairy products, cottonseed, and soybeans in one category, and provided that they could not be decontrolled prior to the 20th day of August 1946; and that the Decontrol Board was authorized and directed in the meantime to consider whether, at the expiration of that period, any or all of those five commodities should be recontrolled. The Board would have no power to recontrol them prior to August 20, although it is expected to go into the question immediately as to whether they should be recontrolled on that date.

I may say that August 20 was fixed because of the situation existing in the cattle industry. The conferees first considered a period of 30 days after the enactment of the law, but that might take the period beyond the time when feeders are beginning to assemble cattle in the feed lots for feeding purposes. That activity begins around the 10th of August, or the 15th. So there would be a period of uncertainty in which those who engage in the feeding of cattle for market, and who begin that process about the middle of August, would not know what to do until they knew what to expect. The 30-day period might extend beyond a reasonable date for that activity, so we agreed on the 20th of August as a suitable date. Assuming that the President will appoint the Decontrol Board promptly, which he has indicated that he would do, and that the Senate will promptly confirm the Decontrol Board, it would have from the day on which the bill was signed until the 20th of August to go into the question of whether these five commodities should be recontrolled on that date or whether they should be left free from control.

The conference measure provides that if the Decontrol Board takes no action by the 20th of August these items automatically go back under control; but they are subject later to be decontrolled under a formula and a category of requirements set out in the joint resolution and which I shall read later.

As to the other specifically decontrolled items, such as tobacco, petroleum, and poultry, they do not automatically go

back under control until the 20th of August, nor at any other time unless they are affirmatively put back under control, under the same formula applicable to the other five commodities which I have just mentioned.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. I should like to ask a question with regard to the recontrol of dairy products. In permitting the Board to recommend reestablishment of maximum prices for milk on a regional basis, is it intended that that provision shall apply to the so-called marketing agreement areas, as well as areas where no marketing agreement is in effect?

Mr. BARKLEY. I think the language of the joint resolution merely authorizes decision on a regional basis. The Board can consider the marketing agreements; or in regions where there is no marketing agreement I think the Board would have the authority to decide whether dairy products should come under control on a regional basis.

Mr. AIKEN. If price ceilings are reestablished for milk in specific marketing areas, does that mean that products derived from milk, produced in the particular area, would also automatically come under control?

Mr. BARKLEY. The Board would have discretion in that regard, and so would the Administrator. They are not required automatically to put everything made from milk under control if they put milk in any given region under control and fix ceiling prices.

Mr. AIKEN. I think the Senator's interpretation is correct, but I wished to make it clear.

Mr. BARKLEY. That is my idea about it.

The provision with respect to decontrol is subdivision (B) of paragraph (8), on page 4 of the conference report:

(B) The Price Decontrol Board shall proceed forthwith to consider whether the commodities listed in subparagraph (A) shall continue, after August 20, 1946, to be free from regulation under this act and the Stabilization Act of 1942, as amended. Such Board, after due notice of a public hearing and full opportunity for representatives of affected industries and consumers to present their views orally or in writing, shall have power to determine whether or not any commodity listed in subparagraph (A) shall be regulated after August 20, 1946, under this act and the Stabilization Act of 1942, as amended. Such Board shall direct that any such commodity shall not be so regulated unless it finds—

(i) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946, and

(ii) that such commodity is in short supply and that its regulation is practicable and enforceable, and

(iii) that the public interest will be served by such regulation.

If, in the case of any commodity listed in subparagraph (A), such Board fails to direct, on or before August 20, 1946, that such commodity shall not be regulated under this act and the Stabilization Act of 1942, as amended, maximum prices and regulations and orders under such acts shall be applicable with respect to such commodity without regard to this paragraph (8).

In other words, if the Board fails to act by the 20th, either to leave them out of control following the 20th, or to take them in on the 20th, they automatically go back under control for such period as would be determined, but they would be subject to decontrol thereafter, as other products are subject to decontrol.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I think the Senator should point out in connection with that statement, however, that under subparagraph (8) (B) the Price Decontrol Board is directed to proceed forthwith to consider whether those commodities shall be controlled or decontrolled, and shall have public hearings and shall determine whether they shall be decontrolled after August 20, which I think is a direction by Congress that the Decontrol Board shall give consideration and shall make determination one way or the other as to what is to be done on August 20.

Mr. BARKLEY. Yes. I have just read subparagraph (8) (B), which specifies that the Price Decontrol Board shall proceed forthwith to consider the situation in regard to the five commodities that are listed in subparagraph (A). The Board is to give affected industries and consumers an opportunity to be heard, and this subparagraph is a direction to the Board to proceed forthwith to consider these matters, in order that it may come to a conclusion not later than the 20th of August as to whether any of them or all of them shall remain under control or shall be taken out from under control. But if for any reason the Board fails to act either way, those commodities go back under control on that date.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CORDON. Do I correctly understand that in case the Price Decontrol Board fails to act, the several classes of commodities listed go back under price control, without reference to whether or not any of the conditions set out in subparagraphs (i), (ii), and (iii) of subdivision (8) (B) obtain? In other words, the Price Decontrol Board does not need to find that those conditions obtain, if it fails to find them. Is that correct?

Mr. BARKLEY. Mr. President, will the Senator propound that question again, please? I was examining some of the provisions of the report, and I may not have correctly understood the import of his question.

Mr. CORDON. On the 21st day of August, if no action has been taken by the Price Decontrol Board, the five commodities mentioned by the Senator from Kentucky will go back under control, without any necessity for anyone's finding that the several conditions exist, namely, the conditions under which the Price Decontrol Board would act. Is that correct?

Mr. BARKLEY. That is true.

Mr. CORDON. In other words, if the Board goes into this matter, in case the conference report becomes law, and if by the 20th day of August for any reason the Board has been unable to make up its mind, then on the 21st day of August all these commodities will be back

under control, and will remain under control, unless under the succeeding subdivision (C) the Price Decontrol Board thereafter finds that these several conditions exist. Is that correct?

Mr. BARKLEY. That is correct. In other words, if the Board takes no action at all and makes no finding of any kind up until the 20th of August, all five commodities will automatically go back under control. As to the conditions to apply thereafter, subdivision (C) goes on to say that—

If in the case of any commodity listed in subparagraph (a)—

Which are these same ones—

such Board, on or before August 20, 1946, does direct that such commodity shall not be regulated under such acts, the Board may at any subsequent time direct that such commodity shall be so regulated if it finds:

(1) that the price of such commodity—

Practically the same three categories which I mentioned in regard to their finding prior to the 20th of August with respect to whether they should go back under control.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield first to the Senator from California.

Mr. KNOWLAND. I should like to ask the distinguished majority leader if it is his understanding in reference to the Board that the members of the Board will be appointed prior to the adjournment of Congress, so that the Senate will have an opportunity to act upon the nominations.

Mr. BARKLEY. Oh, yes. I may say that I have conferred with the President about that; and if the conference report is signed and becomes law, he is as anxious as anyone that the Board shall be set up as promptly as possible and that that will be done before the Congress adjourns, so that the Senate will have an opportunity to pass upon the nominations.

Mr. YOUNG. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. YOUNG. What would happen in the case of a contract for the delivery of grain? Frequently, farmers contract with their local elevators, millers, and others to deliver grain at a future date, perhaps 30 days in the future, perhaps in September. Will those contracts be voided if controls are restored?

Mr. BARKLEY. I may say to the Senator that this morning I talked with the Price Administrator about that very problem, because it presents a serious situation. In the case of grain, I think, probably as much as, if not more than, in the case of any other commodity, elevators and other purchasers of grain were compelled, if they bought any grain at all, to pay the current price for grain, which was greater than the ceiling prices existing on the 30th day of June. The Administrator feels, and I think properly and wisely so, that in such a situation as that, efforts will have to be made to work out an adjustment of those matters that will not require elevators or other purchasers of grain who are legiti-

mately in the market to suffer by reason of that transaction.

Of course, if the transaction had been completed, if the elevators had bought grain and had sold it during the interim, that would present no problem. But where they have bought grain at increased prices and where those commodities automatically go back under control on the 20th of August and the purchasers have on hand a large amount of grain for which they have paid during the interim more than the ceiling price, I have the very positive assurance and statement on the part of the Administrator that an effort will be made to work out and to adjust prices in such cases, so as to go as far as possible toward bailing out people who are caught in that situation. Of course, they naturally have until the 20th of August to dispose of such grain as they may have purchased under such circumstances, and I imagine they may do so in many cases.

Mr. YOUNG. I come from a State where most of the grain is marketed in September and October. There may be a rush now for farmers to contract for September and October delivery of their grain.

Mr. BARKLEY. I think I can say that the Administrator thoroughly understands that situation and is disposed to adjust the matter in order to be fair to everyone, under those conditions.

Mr. TOBEY. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. TOBEY. Does not the Senator agree with me that when, as, and if the authorities of the OPA start to roll back and make the adjustments to which the Senator has been referring, the natural result and the expected result will be a number of severe headaches?

Mr. BARKLEY. There will be, obviously. Yet under the new pricing program and formula contained in the conference report, the administrator will be required to adjust prices in such a way as to take account of possible increases above the ceilings which existed on June 30, because the very formula itself would require the consideration of elements not theretofore necessarily considered.

Mr. GURNEY. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. GURNEY. At the time when the Price Control Act was before the Senate on the previous occasion, I called to the attention of the Senator the fact that operators could not make delivery of grain which they had purchased from the farmers. As the Senator knows, in Kansas there is much grain on the ground. The same condition prevails in the States farther north, all because there are not sufficient railroad boxcars to move the grain. Therefore, an elevator man purchasing at the interim prices has not been able to make delivery to the terminal elevators. He has not been able, through no fault of his own, to make delivery and sale of grain; and he surely will not be able to deliver all of it by August 20. In fact, new grain is coming in every day. The farmers must get rid of it. They cannot pile it up on their farms. The elevators are compelled to take it and to spread it out

on the ground, to await arrival of empty boxcars with which to make shipments to the terminal markets. Therefore, as I see the situation, unless some exact provision is made in the conference report in order to save the elevator men, they will be liable to have any extremely large loss.

Mr. BARKLEY. I will say to the Senator in that regard that we discussed before, and we discussed in the conference, the question of what constituted a completed contract. It was the consensus of opinion, and I think as a matter of law it would hold, that where the purchaser takes title to the grain, regardless of whether it has been delivered, it is a completed transaction within the meaning of the statute. In other words, if he purchases grain at a certain price per bushel and has paid for it, or has entered into a contract with the owner of the grain so that the purchaser takes title to it, it is just as much his grain out in the field as if it had been delivered to the elevator.

Mr. GURNEY. The Senator has given a different answer than he gave to me when I propounded a similar question about 2 weeks ago when the price-control matter was before the Senate.

Mr. BARKLEY. I am not so sure.

Mr. GURNEY. At that time the Senator said that delivery must be made.

Mr. BARKLEY. I may have been under that impression at that time. It was a perfectly sincere answer, but it was a mistaken answer. If the title is taken by the purchaser, that fact controls the question of whether the transaction has been completed.

Mr. GURNEY. Let us assume, then, that the transaction is supposed to be completed. The flour mill has bought the grain and will receive it later when the boxcars are available. In what position does that place the millingman?

Mr. BARKLEY. While flour is still retained under control, regardless of what happens to grain, the Price Administrator will have to take into consideration, in fixing ceilings on flour and other products of grain, the conditions under which the grain was bought. If grain is decontrolled, flour will not necessarily go out from under control. But in determining the price of flour and in determining the ceiling to be placed on flour and flour products, the Price Administrator will, of course, be required to take into consideration the increased price of the grain which the miller had purchased, out of which he ground the flour.

Mr. GURNEY. The Senator says that the Price Administrator will, of course, be required to do that. Is he required to do it under the conference report? Will he do it?

Mr. BARKLEY. There is no specific requirement to that effect in the language of the conference report, but I believe, as a matter of equity, fair dealing, and good administration, he would be required to do it. I think that the Administrator would expect to do it.

Mr. AIKEN. Mr. President, while we are on the subject of grain, I should like to have the majority leader clear up one other point.

As is well known, in certain parts of the country there was a grain famine

during June. When controls were removed the commercial feed mixers found that they were able to obtain corn and other grains, but in the case of corn, in particular, they were required to pay much higher than the ceiling price in order to obtain the corn. I understand from what has been said here that if the feed mixers have taken title to the corn at a price, say, of \$2 or \$2.20 a bushel, even though it has not been delivered to their own feed-mixing establishments in the East, and if on August 20 the price of corn is rolled back, they would not be required to absorb the loss which might be incurred by paying the higher price for the grain, after the grain is received, and is put into the dairy and poultry feed which they will later sell.

Mr. BARKLEY. I believe that the same rule would apply where they have direct title to the grain, no matter where it is, that would apply if the grain had actually been delivered into the bin, elevator, or whatever the receptacle may be that is used for storing the grain.

Mr. AIKEN. Then, if they have already taken title to the grain they will not be required to take a loss on the grain by reason of prices being rolled back at a later date. It would amount to some \$8 to \$10 a ton in the case of dairy feed. They bought the grain while they could get it. Now they are apprehensive lest they will be required to take a loss on it.

Mr. BARKLEY. The price of mixed feeds is now fixed on a cost-plus basis. So under that situation they would not be required to absorb the cost.

Mr. AIKEN. It is apparent, then, that the committee believes those persons are protected from being required to sustain an abnormal loss on this commodity.

Mr. BARKLEY. Yes.

Mr. DONNELL. Mr. President, will the Senator be kind enough to explain his interpretation of the concluding sentence of paragraph 8 (B) on page 5 of the conference report? The sentence there reads:

If in the case of any commodity listed in subparagraph (A) such Board fails to direct, on or before August 20, 1946, that such commodity shall not be regulated under this act and the Stabilization Act of 1942, as amended, maximum prices and regulations and orders under such acts shall be applicable with respect to such commodity without regard to this paragraph (8).

Mr. BARKLEY. From what page is the Senator reading?

Mr. DONNELL. From page 5, beginning at about line 14.

Mr. BARKLEY. Is the Senator reading the paragraph which provides as follows:

If in the case of any commodity listed in subparagraph (A) such Board fails to direct, on or before August 20, 1946, that such commodity shall not be regulated under this act and the Stabilization Act of 1942, as amended, maximum prices and regulations and orders under such acts shall be applicable with respect to such commodity without regard to this paragraph (8)?

Mr. DONNELL. Yes; that is the language to which I have reference.

Mr. BARKLEY. What is the Senator's question?

Mr. DONNELL. My inquiry relates particularly to the last two lines of the paragraph which has just been read,

Suppose that the Decontrol Board waits until the 20th day of August to make its determination and then fails to direct that some commodity embraced under this paragraph shall not be regulated. I understand that maximum prices and regulations and orders, under this act and under the Stabilization Act of 1942, shall then be applicable. Suppose that up until and including August 20, 1946, the Office of Price Administration shall not have taken any action toward revising the maximum prices of a given commodity, so that on the morning of August 21 no action has been taken by the Office of Price Administration with respect to the price of that commodity; does this language, in the opinion of the Senator from Kentucky, mean that the price of that commodity would be the price prevailing on June 30, 1946, or would it be necessary to wait until the Office of Price Administration had thereafter fixed a new maximum price in order to determine what maximum price shall be applicable with respect to the said commodity?

Mr. BARKLEY. In that case my opinion is that the price would be the price which prevailed on June 30. The conference report provides that maximum prices and regulations and orders in effect on that date shall be regarded as being in effect thereafter. Of course, I may say to the Senator that what this language does is to put these commodities back under control. If there is any failure to act on the part of the Board those commodities go back under control under the same standards as those pertaining to other commodities, just as if the paragraph was not in the bill.

It may be that some institutions or persons may be caught for a brief period of time by reason of the fact that prices go back to those of June 30. But in the interim it is provided that the Price Administrator shall not institute or maintain maximum prices except under the standards of this act, and the Office of Price Administration would be compelled to reconsider the price structure of any such commodity so as to work it out under the more liberal standards which are contained in the bill, although for a brief period of time it might be possible that some prices would go back to where they were on June 30.

Mr. DONNELL. As I understand, then, if there has been no fixation of a price by the Office of Price Administration after the conference report goes into effect, and up to and including August 20, it is the opinion of the Senator that the price which prevailed under the orders in effect on June 30, 1946, would still prevail.

Mr. BARKLEY. Of course, the paragraph which the Senator has read pertains to the commodities referred to in paragraph (8). The Office of Price Administration is out of that picture until after the 20th of August, because the Decontrol Board moves in to consider whether any of them shall go back under control or shall be allowed to remain free of control. So there is nothing the Price Administrator can do between the enactment of this legislation and the 20th of August; and there would not be anything the Price Administrator could do

after that if the Decontrol Board decided that any or all of the commodities set out in paragraph (A) should remain out from under control. In that event the Price Administrator would have no function to perform.

Mr. DONNELL. Might there not, then, in some cases be an interim at any rate after August 20 during which the prices which prevailed on June 30 as to any given commodity might not accord with the standards set up in this bill, and would it not be impossible for the price of such commodity to be made to accord with the standards of this bill until the Board or the Office of Price Administration had adequate time to investigate and determine?

Mr. BARKLEY. In a case where one of these commodities went back under control automatically as of August 21, we will say, it is possible that for a brief interval, until the Price Administrator could work out a new price for the commodity, there might be a brief hiatus during which the price prevailing on June 30 would have to be enforced.

Mr. DONNELL. I thank the Senator.

Mr. TAFT. Mr. President—

Mr. BARKLEY. I yield to the Senator from Ohio.

Mr. TAFT. I merely want to say on the subject that has been raised as to elevators and also processors there are certain provisions of the bill which protect them. In other words, even under the abbreviated Wherry amendment, they are entitled to cost plus a reasonable margin. The bill now provides:

In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow the average current cost of acquisition of any commodity.

People who bought in this interval bought legally and whatever they paid in this interval, it seems to me, is clearly cost. So, I believe the provisions of the act require both in the case of distributors and processors that that cost be recognized as an actual cost and that they shall be allowed a margin on that cost in the disposition of those goods in such a way as to return them a reasonable profit and the prewar mark-up.

So, while it is true, as the Senator says, that these rules are automatically effective when recontrol is established, there certainly is a direction to the Price Administrator to change them immediately and to recognize the increased costs that have occurred by reason of paying more during the interval.

Mr. BARKLEY. I think that is generally true. I do not think it would go to the extent of requiring the Administrator to add increases in labor costs not approved by the Wage Stabilization Board, or to include black-market prices paid indiscriminately for products during the interim or at any other time.

Mr. TAFT. There were no black-market prices during the interval because there was no law.

Mr. BARKLEY. What I mean is I do not think there is anything in this bill to require the Administrator to add in all costs to the price which he must take into account, such as unauthorized increases in wages, not approved by the Wage Stabilization Board, or black-mar-

ket prices or what is equivalent to black-market prices, since there was no such thing as black-market prices during the interval because no ceilings were fixed.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Missouri.

Mr. DONNELL. I desire to ask a further question. Is it not possible that considerable confusion might arise in this interim? If, for example, the price of a given commodity were, we will say, \$5 as of June 30, and in the meantime, between then and August 20, the cost of that article had gone up, so that its actual cost was \$5.50, and yet there had been no order made by the Office of Price Administration in the interim in accordance with the standards set forth in this act, Would it not be true that a reversion must be had to the price as of June 30? Would there not be very great confusion in the mind of the person who had such a commodity as to what price he could charge, namely, that of June 30 or that which would be defined subsequently?

Mr. BARKLEY. Undoubtedly there would be a few days in which there would be come confusion but the conferees of the two Houses had to determine whether to revert back to June 30 in the orders and regulations as to prices or to equalize the prices prevailing now, which have increased in many cases 50 percent. The conferees felt—and I think the two Houses of Congress felt—that we could not justify undertaking to freeze present prices, which have gone up in many cases since the 30th of June, and that the fairest and best thing to do, recognizing that there would be some confusion for a period, was to make the law effective as of June 30, just as if it had been enacted on that date. We thought less injustice would result by adopting that course than by undertaking to legalize the prices prevailing on the day when this law becomes effective.

Mr. DONNELL. Mr. President, will the Senator yield for a brief observation?

Mr. BARKLEY. I yield.

Mr. DONNELL. In making this observation I am not at all critical but am simply seeking information.

Mr. BARKLEY. I understand.

Mr. DONNELL. The thought in my mind at this moment is whether or not there is any assurance that the interim between August 20 and the time when the Office of Price Administration can fix new maximum prices will be brief or whether, if great numbers of commodities will be embodied and embraced within these categories, a very considerable period may be necessary before the Office of Price Administration can accommodate itself to the changes made by the bill.

Mr. BARKLEY. Of course, the number of applications or of such situations would necessarily have some effect on the promptness with which the Administrator could adjust them, but I think I may say with assurance, after conferring with the Administrator about this very problem, that he fully appreciates it and realizes that there is bound to be a brief period—as brief as it can

be made—after the enactment of this bill in which adjustments must be made. It is his purpose to facilitate and expedite the consideration of all those questions as promptly as possible so that whatever confusion may arise will be as brief as possible. It is impossible to say on what day or how many days after the enactment of this legislation that can be done. If we could say that the bill would be signed tomorrow, tomorrow being the 25th of July, it would be impossible to say whether by the 30th of July or any other day these problems could be considered by the Administrator and adjusted; but I think the Administrator thoroughly understands the difficulties growing out of this hiatus between the 30th of June and the effective date of the enactment of the law, and he will, to the fullest extent possible, facilitate the consideration and the termination of those matters, so as to work as little injustice as possible.

Mr. DONNELL. I appreciate the very courteous and helpful response of the Senator from Kentucky.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Oregon.

Mr. CORDON. I am somewhat concerned with reference to a reconciliation of the provisions of the conference report, appearing on page 3, subsection (e), entitled "Agricultural commodities." This subsection provides authority to the Secretary of Agriculture within 30 days to certify prices to the Administrator agricultural commodities which are in short supply. Succeeding provisions provide for decontrolling unless the commodities are certified to be in short supply.

Referring to those provisions, and then to the provisions beginning on page 4 which refer to the five commodities which were decontrolled, and with reference to which there is provision for continuing decontrol to the 20th day of August, and for action in the interim by the Decontrol Board, or for the application of price control on the articles on the 20th of August, with reference to those five agricultural commodities after the 20th day of August, what authority does the Secretary of Agriculture have; under the report, to certify them in short supply, and if he does so certify them, in what position is the Decontrol Board with reference to such certification under the provisions which seem to give it exclusive control of those commodities?

Mr. BARKLEY. I would say to the Senator that in my judgment no matter what the Decontrol Board does up to the 20th of August, these commodities thereafter are subject to the certification of the Secretary of Agriculture, just as they are under the general provisions of the agricultural sections of the bill. In other words, if the Decontrol Board should decide by August 20 that these items should return under control, and they do return under control, or if the Board does nothing and they go back under control, they are subject to certification later by the Secretary of Agriculture under this provision, as if the Board had taken no action at all.

Mr. CORDON. Then would they not be subject to certification by two different authorities, the Secretary of Agriculture on the one hand and the Decontrol Board under paragraph (C) on the other?

Mr. BARKLEY. No. In case the certification is made by the Secretary of Agriculture to the Administrator that they are not in short supply, then it is the duty of the Administrator, under the provision, to decontrol them. If he does not do so, then, of course, the matter can be taken to the Decontrol Board. It is the same Decontrol Board which may or may not have decided on the 20th of August to return them to control. That is my interpretation of the provision, that these five commodities are not taken out of the authority of the Secretary of Agriculture after the 20th of August to certify to the Administrator that they are not in short supply, in which event it is his duty to decontrol them.

Mr. CORDON. The reason which prompted my inquiry was the fact that poultry and tobacco, two products which the Senator discussed as being in a different category with reference to decontrol—

Mr. BARKLEY. They are in a different category in this respect, that they do not go back under control unless ordered.

Mr. CORDON. And that is up to the Secretary of Agriculture?

Mr. BARKLEY. That is up to the Secretary of Agriculture.

Mr. TAFT. Mr. President, I am sorry to say that I differ with the Senator's interpretation as to the conflicting powers of the Secretary of Agriculture and the Price Decontrol Board. My understanding is that, so far as these special products, both kinds, are concerned, they are absolutely placed under the jurisdiction of the Price Decontrol Board until the Price Decontrol Board determines that they shall be regulated again, or until, in the case of some commodities, they return to regulation on August 20. So long as they remain decontrolled, I do not think the Secretary of Agriculture has any power whatever to recontrol them. However, if the Decontrol Board returns them to control, then I think the ordinary operation of the act becomes effective, and the Secretary of Agriculture may at a later date certify that they are not in short supply, and thereby decontrol them. But I do not think there is any machinery in the act for recontrol of any of these commodities except that stated in paragraph (8).

Mr. BARKLEY. Mr. President, I wish to state that my answer to the Senator's question was based on the assumption that these articles had been placed under control, had been recontrolled.

Mr. CORDON. If they once have been recontrolled—

Mr. BARKLEY. Then they come under the jurisdiction of the Secretary of Agriculture. So long as they are out of control, of course, there is no occasion for him to take jurisdiction, unless he should certify, under the general provisions of the act, that they are in short supply.

I was assuming that the Senator from Oregon had in mind the fact that all

these 8 articles, the 5 in one category and the 3 in another, had come under recontrol, in which event the Secretary of Agriculture would have the same right to certify to the Administrator with reference to their short supply that he would regarding other agricultural products.

Mr. TAFT. I was speaking of meat and other items. The Senator is more interested, perhaps, in poultry and eggs, and I agree that under paragraph (7) on page 4—

No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to poultry or eggs or food or feed products processed or manufactured in whole or substantial part therefrom, or in the case of leaf tobacco or tobacco products processed or manufactured in whole or substantial part therefrom, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (e), but only under the standards prescribed in paragraph (8) (C) of this subsection (e).

Mr. BARKLEY. That is correct.

Mr. CORDON. Then, if I have the correct understanding of the legal effect of these provisions with reference to poultry and eggs and products manufactured therefrom, and leaf tobacco and products manufactured therefrom, there will be no control until the Secretary of Agriculture affirmatively finds—

(i) That the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946; and

(ii) that such commodity is in short supply and that its regulation is practicable and enforceable; and

(iii) that the public interest will be served by such regulation.

In other words, those findings must be made by the Secretary of Agriculture with reference to these two major products and these two only?

Mr. BARKLEY. That is true, these two, speaking of tobacco and poultry. The Secretary of Agriculture would have to be governed, as to those, by the formula set out in provisions (i), (ii), and (iii), which the Senator has just read. I might say also that the finding has to be concurred in by the Board itself.

Mr. CORDON. The next question, then, is with reference to livestock, cottonseed, soybeans, and so forth; the products mentioned in paragraph (8) (A). Is it the Senator's view that the direct intervention of the decontrol board into this price picture, authorized and directed to be made on or before the 20th day of August, under which, let us assume, prices are again authorized to be fixed, is not exclusive authority after that date, and that thereafter the general provisions of subparagraph (e) being the provision fixing authority in the Secretary of Agriculture, will attach to not only these agricultural products, but all agricultural products, and they will remain under control or without control, depending upon the finding of the Secretary of Agriculture that they are or are not in short supply?

Mr. BARKLEY. That is my interpretation of those provisions.

Mr. YOUNG. Mr. President—

The PRESIDING OFFICER (Mr. McMAHON in the chair). Does the Senator from Kentucky yield to the Senator from North Dakota?

Mr. BARKLEY. I yield.

Mr. YOUNG. I am not quite clear on the matter of the validity of the grain contracts. Would a contract for grain be valid if made after the date of the going into effect of the proposed law, or would it be valid until August 20, whether delivery was made or not?

Mr. BARKLEY. A contract under which title has been taken and ownership has been transferred would be valid either before or after August 20. I mean that if title had been taken by a purchaser there is in my judgment no time limit as to the existence of that title.

Mr. YOUNG. That contract would be valid until August 20?

Mr. BARKLEY. If it is a contract in which the title has passed, it would not only be valid up to the 20th of August, but it would be valid after the 20th of August.

Mr. TAFT. If title has passed before the 20th of August.

Mr. BARKLEY. Yes; if title has passed before the 20th of August.

Mr. YOUNG. I imagine that with respect to at least half the grain contracts delivery is not made until 30 days afterward.

Mr. BARKLEY. I do not think the date of delivery has anything to do with the legality of title. If purchasers have bought the grain and have taken title to it, it is their grain, although it is still in the granary of the farmer who produces it, or is in the possession of someone else.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CORDON. I find it necessary to come back again to this question. I cannot get my thinking clarified.

Mr. BARKLEY. If the Senator from Oregon cannot get his clarified, I wonder what he thinks is going to happen to mine?

Mr. CORDON. Assuming, Mr. President, that the Decontrol Board does not act until the 20th day of August, and livestock, grain, and so forth, should come again under price control, then assuming that 30 days elapsed thereafter with no other action excepting that the prices are fixed, and the OPA goes forward with its controlling of prices, what happens with reference to the sentence which I am now reading from subsection (e), paragraph (1), about the middle of page 3:

No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than 30 days after the date of enactment of this section, unless such commodity is certified to the Price Administrator—

I interpolate "by the Secretary of Agriculture"—

under this paragraph as being in short supply.

Mr. BARKLEY. I think this sentence would apply. This would be the law by which the Secretary of Agriculture would be governed.

Mr. CORDON. Then it would operate substantially in this way: If the De-control Board does not function before the 20th of August, and these commodities go back under price control, they remain under price control for 30 days, and no longer, unless the Secretary of Agriculture certifies they are in short supply.

Mr. BARKLEY. Yes. It might be longer than 30 days. It might be 10 days beyond the 1st of September.

Mr. CORDON. Yes; I understand.

Mr. BARKLEY. But this provision would apply, that at the end of the 30 days beginning on the first of the month following the enactment of this legislation, if the secretary should certify that these commodities are no longer in short supply, they would be released from control, and at another date subsequent to that 30-day period, if the Secretary certified, they would be released, although they came back under control automatically on the 20th of August.

Mr. CORDON. I suggest that I do not envy the Secretary.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WILEY. It would appear that the processor and distributor and manufacturer and wholesaler and retailer are in some way protected under the measure by having their margins and mark-ups protected. I am asking if there is any such protection for the livestock producer, the milk producer, the farmer? Is he part of an industry, or is his cost guaranteed?

Mr. BARKLEY. There are two cost formulas in the joint resolution, and they have not been changed materially except by the addition of the words "plus a reasonable profit" in subsection (f) of the so-called Barkley substitute for the previous Taft amendment. We put in the words "producer, manufacturer, and processor," so as to include the farmers, the producers of whatever they produce. Originally the measure did not carry the word "producer." It carried the words "manufacturer and processor." We added "producer" in order to be sure to cover the situation which the Senator from Wisconsin has in mind.

Mr. WILEY. Then it is clear in the mind of the Senator that the livestock producer, the milk producer, the farmer, is covered so that he is more or less guaranteed his cost?

Mr. BARKLEY. He is put on the same basis and under the same formula as manufacturers and processors.

Mr. WILEY. There is one other question, and that relates to rent. I understand the general proposition is that the OPA rent control authority continues unchanged.

Mr. BARKLEY. Yes.

Mr. WILEY. Since this measure may become law, it might be well to obtain the Senator's own idea as to the power to do equity, as the law provides, in case of rents. Putting it concretely, in communities such as Washington, when OPA began to operate rents were relatively high. In other communities rents were very low because they had not felt the impact of war. I think it is important

that the people generally should know, and especially that the OPA officials should realize their obligation, if this measure should become law, as to what they should do by way of seeking to do equity in the low-rent areas; what the function of the Administrator is in such cases.

Mr. BARKLEY. The rent control law is not changed. There is no formula in this measure for rent, like there is for producers, manufacturers and processors. Of course, in cases where rents have been raised since the 30th of June and the increased rent has been paid, I take it for granted that the Rent Administrator cannot compel a refund of that money, because it was a legal transaction, especially if agreed to and the increased rent was paid by the lessee. But in the District of Columbia of course rents are not controlled under the OPA. For the District of Columbia there is a special law, and rent control has continued without any hiatus at all. But in the other areas which are described as defense areas, where provision is made for rent control, rents revert to the rates of the 30th of June. The Administrator of course has the same power, in view of what has taken place, to consider whether increases should be allowed from now on, whether there has been an increase in rent, or whether there has not been an increase in rent, and in determining that question he has of course the perfect right, if not the duty, to consider any increased cost in the operation of the apartment house, if it happens to be an apartment house, or whatever increases in outlay have been necessary. He has a right to consider such factors, and no doubt would consider them on any application for an increase in rent in any given community where the law operates, but it does not operate in the District of Columbia.

Mr. DONNELL. Mr. President—

The PRESIDING OFFICER (Mr. TAYLOR in the chair). Does the Senator from Kentucky yield to the Senator from Missouri?

Mr. BARKLEY. I yield.

Mr. DONNELL. The Senate amendment which provided that "whenever a State has established or establishes provisions for control and regulation of the rent of housing accommodations," and so forth, does not appear in the conference report.

Mr. BARKLEY. No; the conferees eliminated that, because it was the general feeling that even in States which had temporarily undertaken to take over during the hiatus, on the theory that a Federal law might not be enacted, it was the feeling and information of the conferees that the States and communities really preferred the National Government to handle this matter from now on during the remainder of the year, until the time of the expiration of the law. At any rate, only four States had acted to undertake to control rents within their boundaries. Under all the circumstances the conferees felt that it was better for the next year to pursue the course we had pursued during rent control, and allow it to be exclusively a Federal function. Therefore it was eliminated from the bill.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CORDON. What happened to petroleum under the conference report?

Mr. BARKLEY. Petroleum is in the same category as tobacco and poultry.

Mr. CORDON. It is not mentioned in that paragraph.

Mr. BARKLEY. No. Petroleum was mentioned in another paragraph, and we left it there—like Niobe, in all her solitude. Was not Niobe the mythological character who stood alone?

Mr. CORDON. I think perhaps she had something to do with crying; and I suspect there will be a great deal of that before we are through.

Mr. BARKLEY. At any rate, petroleum occupied a special paragraph in the bill, and we left it in its special situation, but fixed for it the same standard and the same requirement with regard to re-control which applied to tobacco and poultry.

Mr. CORDON. What was done with reference to price control of raw cotton?

Mr. BARKLEY. There has never been any ceiling on raw cotton, and under one of the paragraphs of the bill which previously passed the Senate, and which was in the bill which the President vetoed, and is now in this joint resolution, there can be no ceiling put on raw cotton, because that paragraph provided that no regulation, order, or anything else that had not been in effect prior to April 1, 1946, could have any application with reference thereto. So raw cotton is still king.

Mr. CORDON. What about wool?

Mr. BARKLEY. If there has been a price ceiling on wool it will, of course, come under the same provisions as other commodities. If there has been no price ceiling on wool it will come within the terms of the same paragraph to which reference has been made.

Mr. CORDON. I merely wondered if any special action was taken.

Mr. BARKLEY. I should like to say a brief word with reference to the much-disputed and controversial Taft-Barkley-Taft amendment.

Mr. WILEY. Which comes first?

Mr. BARKLEY. I think the name "TAFT" comes first. I was rather squeezed in the middle.

The provision in the joint resolution which is now before the Senate is precisely the same as the bill passed by the Senate, with the exception that in subdivision (f) on page 13 the words "reasonable profit" were added. The provision reads as follows:

If the maximum prices of a product on the average equal its average current total cost—

The conference added "plus a reasonable profit"—

nothing herein shall require any further adjustment of such maximum prices for any period with respect to which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

That is the language as it was in the joint resolution when it passed the Senate, with the exception of the addition of

the four words "plus a reasonable profit." The conferees felt that under the circumstances that was not out of harmony with other provisions of the joint resolution and of the law which expired on June 30, when the Administrator was required to consider increases and decreases in cost, profits, and other factors. We have never eliminated from the joint resolution consideration of profits, so we felt that it was not inconsistent with the general provisions of the joint resolution to add those four words in the formula. Otherwise the provision is just as it was when it passed the Senate.

After we had finished our work in the conference on Saturday night I was asked by representatives of the press whether this was a better or worse measure than the one which the President vetoed. I said I did not know. That was a perfectly honest answer. We had been in session for 8 or 10 hours, and I was in no mood to try to assess the advantages or disadvantages as between this measure and the bill which the President vetoed. However, on the whole, I believe that this is a better measure than the bill which the President vetoed. In the bill which the President vetoed no decontrol of anything was stipulated by Congress, and therefore he was under no obligation to discuss the question of decontrol. It was not in the bill. He did not have to pass upon it. He did not discuss it, and he did not pass upon it. To the extent that there are decontrols in the joint resolution, or were decontrols in it when it was passed by the Senate, I should say that from the standpoint of the President and the Price Administrator, that is a disadvantage and a defect as compared to the bill which the President vetoed. But inasmuch as the law expired, and inasmuch as there has now been a period of nearly 4 weeks during which there has been no law at all, and inasmuch as the Senate added eight specific items of decontrol, it was necessary for the conferees to recognize the situation and to deal with it in a practical and realistic way. I think we have done so by providing a period up to the 20th of August, which gives time to the Decontrol Board to give consideration to all the items and elements involved. I felt that that provision was necessary because price controls could not be slapped back on overnight with respect to things which had been specifically decontrolled. This provision is better than the outright decontrol of specific items by the Congress, without any right to recapture control unless later there should be some provision under the existing law or the general provisions for recapture which might make it possible. So I believe that so far as the decontrolled items are concerned, the joint resolution is better than it was when it left the Senate. That is one category.

On the question of the price formula involved in the dispute as between section 11 of the bill which the President vetoed and the joint resolution as it now stands, I think there is a distinct advantage in the present joint resolution over the bill which the President vetoed 3 or 4 weeks ago.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. I yield.

Mr. MORSE. It may be that the Senator has already answered the question. If so, I apologize. I was not able to be present to hear the beginning of the Senator's remarks.

In considering paragraph 8 (B) on pages 4 and 5 of the conference committee report, was it the intention of the committee that the Price Decontrol Board could force certain commodities back under price control simply by failure to act? Or was it the intention that the Board should be required to make a definite finding or determination before milk, for example, could be recontrolled? To put it another way, would those who would be affected by failure of the Board to act be given an opportunity to present their case before August 20?

Mr. BARKLEY. With respect to the five items which automatically go back under control on August 20 or 21 in the event the Board fails to do anything, the committee felt that the Board was given a direction to give priority to the consideration of those matters, because the Board is directed promptly to consider whether, on the 20th of August, those commodities shall go back under control. The Board is ordered to hold a public hearing to give interested parties, both producers and consumers, an opportunity to be heard. We recognized that it might possibly turn out that there would be such a demand or request for hearings on the part of both sides that in some cases the Board might not be able to make a finding by August 20. That provision was not inserted for the purpose of encouraging the Board to do nothing. But the situation was that if, for good and sufficient reasons, the Board should not take action by August 20, we had to decide whether those commodities should go back under control or should be decontrolled until recaptured by some other conditions. So we had to take one of two alternatives. The conference committee felt that, even with all the diligence which the Board might exercise in arriving at a decision and making a finding, after giving the interested parties an opportunity to be heard, it might not be able to reach its decision or make its findings by that time, and in that case the commodities would go back under control.

Mr. MORSE. I think I understand the Senator's explanation, but I should like to restate it in my own words, if I may, in order to make sure that I correctly understand.

Mr. BARKLEY. Certainly.

Mr. MORSE. It is my understanding that in case the Price Decontrol Board does not decide or is unable to decide by August 20 that dairy commodities shall not be regulated under the Price Control Act, such commodities will automatically come under control on August 20. I further understand that it is the intention of the committee that if that should be the situation on August 20, the Price Decontrol Board shall proceed as soon as possible thereafter to hold hearings as to those commodities.

Mr. BARKLEY. The Board is required to do that before August 20. All these

items are held in suspense and are held out from under price control until August 20. In the meantime the Board is charged with the duty of giving priority of consideration to those matters and to hold hearings, if they are requested, and to reach a finding, and by August 20 to determine whether any of these items shall come back under control or whether any or all of them shall remain out from under control.

Mr. MORSE. Then, it is the intention that the parties affected by the decontrol of such items on August 20 shall have a right and an opportunity to be heard before August 20?

Mr. BARKLEY. Oh, yes; that is true.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. I wish to ask a question in this connection. Rather large subsidies have been paid for the production of milk, during recent years. Of course, the subsidies were to have been increased on July 1, but actually they simply went out of existence, instead.

However, on July 5, the Department of Agriculture issued a release in which Secretary Anderson asked all the dairymen to hold the line and not increase their prices. He stated that he would urge the Congress to provide funds to cover dairy production subsidy payments during the period when milk producers held the line pending settlement of the price control and subsidy issues.

Dairymen in some parts of the country did not hold the line more than 2 days. Dairymen in other parts of the country held the line for 10 days, before they increased the price of milk. In large sections of the country, strange as it may seem, the dairymen are still holding the line and are still receiving for their milk the same price which they received on June 30. Is there any provision at all in the conference report that if the subsidies are restored, those who held the line in accordance with the request of the Department will not be severely penalized for doing so?

Mr. BARKLEY. I may say that the conference report contains provision for payment of the same amount of subsidies—namely, a billion dollars' worth—and it requires that the subsidies shall end by the 1st of next April, just as was required before. The Secretary will have authority to retain the subsidies until April 1. He is not required to do it, but he has authority to do it.

Mr. AIKEN. On page 9, paragraph (4) of subsection (a) of section 6 provides in part that—

Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period occurring after the date of the enactment of this act during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended.

It would seem that that is a directive for him not to pay the subsidies between the time of the adoption of this conference report and August 20, when they might be restored again. This was in the non-crop-subsidy program. But I

believe some of the subsidies on cheese and butter have been paid out of the noncrop subsidies.

Mr. BARKLEY. That applies to the situation after the enactment of this joint resolution. They have the right to go back to June 30 and to pay those subsidies in any case in which a milk producer has not increased the price of his milk, under the advice of the Secretary of Agriculture or the request of the Secretary of Agriculture or if for any other reason he has not done so. In other words, it is optional with the Secretary whether those subsidies shall be paid retroactively. He has the power to do that.

Mr. AIKEN. Is the Senator sure about the situation?

Mr. BARKLEY. The subsidy appropriation in the amount authorized is sufficient to enable him to do it.

Mr. AIKEN. But I wish to be sure that this is not a directive for him not to pay subsidies on cheese, let us say, between the date of the enactment of this measure and August 20.

Mr. BARKLEY. Is the Senator from Vermont referring to cheese alone?

Mr. AIKEN. I refer to any commodity.

Mr. BARKLEY. No; I do not think he could, in that case, pay subsidies as between June 30 and the date of the enactment of this measure.

Mr. AIKEN. I did not mean that.

Mr. BARKLEY. Perhaps I did not understand the Senator's question.

Mr. AIKEN. I mean that paragraph (4), with respect to the noncrop subsidy program, states that—

Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period occurring after the date of the enactment of this act—

Which may be tomorrow—

during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended.

Mr. BARKLEY. According to my judgment, that provision means that after this measure is enacted, subsidies shall not be paid upon any of these commodities upon which maximum prices are not in effect from now on.

Mr. AIKEN. That would mean that the man who has held the line up to now will be penalized for the next 3 weeks if he continues to hold the line.

Mr. BARKLEY. If there is no price on his product, it is one of those little hiatuses where someone will be burnt. There is now way to avoid that. Because of the fact that there has been a hiatus, it is simply impossible to write any law which will take care of every human being who gets caught during that period.

Mr. AIKEN. But the Senator from Kentucky does feel, does he not, that in regard to the milk subsidies, at least, the subsidy payments could be retroactive until June 30?

Mr. BARKLEY. Yes; I feel sure that the Secretary can have authority to do that, although he is not required to do so.

Mr. DONNELL. Mr. President, I appreciate the fact that the Senator from Kentucky has been on his feet a considerable length of time, and I shall make

the question I have as brief as possible.

I call the Senator's attention to subsection (f) of section 6 on page 13 of the conference report, which, in turn, is a new section incorporated under section 11 of the conference report. As I understand the Senator's explanation, subsection (f), to which I have referred, is the same as the one which was in the previous bill, except that the words "plus a reasonable profit" have been added. Is that correct?

Mr. BARKLEY. If the Senator means the previous bill, the bill which the President vetoed, the answer would be "No." This is the same provision as the one which was in the bill passed by the Senate the other day.

Mr. DONNELL. That is what I should have said.

Mr. BARKLEY. With the exception of the addition of the words "plus a reasonable profit."

Mr. DONNELL. I am not quite clear as to the purpose of the inclusion of those words. Under the bill which was recently passed by the Senate, there appeared the following language:

If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

In other words, that provision, as I understand, was designed to cover the situation in which the prices reached a point equivalent to total costs and in the particular situation described in that subsection there was no obligation to raise the price. As the language now reads, it provides that if the maximum price equals its average current total cost plus a reasonable profit, nothing herein shall require a further adjustment of such maximum prices for certain specific periods. That would seem to imply, would it not, that there are periods other than those mentioned in this subdivision as to which the law at some place requires a further adjustment of the maximum price even though the maximum price already equals the cost plus a reasonable profit? My inquiry of the Senator is: Is there, to his knowledge, anything in the conference report which requires a further adjustment of the maximum price where the maximum price already equals the current total cost plus a reasonable profit?

Mr. BARKLEY. The Senator will recall that this subsection is a part of section 11 which added section 6 to the existing law. This is the substitute which I proposed in the committee to the original Taft proposal which was the subject of some critical comment on the part of the President. This was a new section designed to take the place of the other, and creating a new formula. We went on to fix the base period as 1940. Then, in order to undertake to tie in price increases with production and employment, we provided that:

(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of

a producing, manufacturing, or processing industry (including any industry furnishing service or transportation the charges for which are subject to the Administrator's control) which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

In other words, we said that an industry is entitled to its over-all average current costs plus its margin of profit during the base period; that is, 1940.

Subsection (f) is a part of the section to which I have referred. The language reads:

If the maximum price of a product on the average equals its average current total costs, plus a reasonable profit—

And so forth. That may be a little different from what is stated in the paragraph above, which is based on the average price in 1940, the base period. The words "plus a reasonable profit" were not in the joint resolution as it passed the Senate. The House conferees insisted that they be put in. What the language says is that if the maximum price of a product on the average equals its average current total cost, and in addition to that there is reasonable profit allowed, nothing here shall require any further adjustments. That is, any additional adjustment unless the chances are that it will not bring about increased production. So we tried to tie in not only the current total cost of the product, but also the reasonable profit.

Mr. DONNELL. There might be contingencies under which, even though there was a reasonable profit on a certain commodity, there would be an obligation on the part of the OPA authorities to authorize the higher maximum price.

Mr. LA FOLLETTE. Mr. President, with regard to the provisions of subsections (A) and (B) of section (8) on pages 4 and 5 of the conference report, as the Senator will recall, the Director of Economic Stabilization on April 15 announced a program for increasing the level of the return to dairy farmers in order to offset higher costs. In that statement he repeated the assurance that the returns to the producers would either be by subsidy or by price. He announced, effective during May and June, an increase of 20 cents per hundredweight for milk and 5 cents per pound for butterfat over the subsidy rates paid in the same months of last year. If the Senator will recall, the Director of Economic Stabilization then announced there was to be further increases of subsidy rates of 20 cents and of 5 cents, respectively, over last year's levels after July 1 and that these subsidies were to be 40 cents per hundredweight for milk and 10 cents a pound for butterfat higher than during the same months in 1945.

On May 29 he announced another 20-cent increase in dairy returns in order to compensate for higher feed costs resulting from increases in feed-price ceilings.

This increase, together with the increase of 20 cents on July 1, was made effective by price-ceiling adjustments during June. As I understand, the Administrator of Economic Stabilization had, by July 1 committed himself to a program of subsidies or price ceiling increases of 60 cents per hundredweight for milk and 15 cents a pound for butterfat over last year's seasonal levels of ceiling prices, plus subsidies.

The question which arises in my mind is this: Since the date inserted in subsection (i) of section 8 (B)—

Mr. BARKLEY. What page does the Senator refer to?

Mr. LA FOLLETTE. Page 5. I refer to the following language:

That the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946.

My question is this: Could those commitments which were made by the Office of Economic Stabilization to go into effect on July 1, be taken into consideration, or would the date fixed in the conference report preclude their consideration? In other words, the program had been announced. Of course the OPA law died, and the program did not go into effect. Could the Board, in taking into consideration the subsidies, consider that what had been in effect was really an order which was put into effect 2 days after its date?

Mr. BARKLEY. Those were orders which were to become effective on July 1, but because of the lapse of the law did not.

Mr. LA FOLLETTE. That is correct.

Mr. BARKLEY. I have no doubt that they would be taken into consideration in determining the reasonableness or unreasonableness of any price under that subparagraph.

Mr. LA FOLLETTE. In other words, any order that was to go into effect, but which was cut off because of the fact that the law expired, could be put into effect, even though it was to go into effect on July 1 instead of June 29?

Mr. BARKLEY. I think undoubtedly it could be taken into consideration in regard to the reasonableness or unreasonableness of any price, and also in regard to any moral obligation which might grow out of the fact that there was an order which was to go into effect on a day when it could not take effect.

Mr. LA FOLLETTE. I thank the Senator.

Mr. BARKLEY. Mr. President, I shall not consume any more time. A while ago I was attempting to say what I thought as to whether the present bill, on the whole, is a better bill than the one which the President vetoed. I had said that, insofar as there were no decontrols at all in the bill which the President vetoed, and inasmuch as there were decontrols put into this joint resolution by the Senate, which are still retained in a modified way, subject to action on the part of the board, from the standpoint of the President and from the standpoint of the Administrator I would say that the fact that the joint resolution contains any specified decon-

trols at all would be a defect as compared with the other bill, because it contained none. But inasmuch as these decontrols were put into the joint resolution by the Senate and inasmuch as nearly a month has elapsed since there has been no law at all, I think the provisions which the conferees wrote into the joint resolution with reference to these decontrolled items, and the requirements of the board, constitute a decided improvement over the bill as it passed the Senate in respect to those matters.

Now in regard to the original Taft amendment, with which the President found himself in disagreement, and the provision of this particular joint resolution, I think that from the standpoint of the President, and from the standpoint of the administration of the act, and from the standpoint of the general public, the provision in the pending measure, from my viewpoint, is decidedly better and more workable, as compared with the similar provision of the bill which was vetoed by the President.

I shall not go into details to analyze the original Taft amendment or the present Barkley amendment. They speak for themselves. I am sure this provision can be administered. I know it is workable. I feel that the Administrator of the OPA feels himself that it is workable and that it can be administered.

As I have said, I have not been told by the President whether he will sign the bill. I have not asked him to tell me whether he would sign it. I have every reason to believe he will, and I certainly express the fondest hope that he will.

On the whole, as a completed piece of legislation I state without reservation that in my judgment the conference report bill is an improvement over the bill which the President vetoed.

Mr. AIKEN. Mr. President, before the Senator concludes, I should like to make one thing perfectly clear in my own mind; I would go back to the colloquy we had regarding the purchase of grain by the feed mixers at higher than ceiling prices, in order to break the feed famine which existed in the Northeast.

The Senator expressed the opinion that if the title to the grain had been passed and a contract completed, the feed mixers would not be penalized, but would be permitted to pass on the additional cost of the grain in the price which they would charge for the dairy and poultry feed.

What I should like to make sure of is this: Would any contracts completed between the date of the passage of the act and the 20th of August be subject to the same interpretation? In other words, can the purchasers continue to buy on the open market, without fear of being caught in a squeeze if prices are rolled back on that date?

Mr. BARKLEY. I think similar contracts made between now and the 20th of August and those heretofore entered into since the 30th of June would be on a parity.

Mr. AIKEN. I thank the Senator.

Mr. BARKLEY. I apologize to the Senate for taking so much time, but my remarks have been made in an effort to elucidate the bill so far as I could do so,

and I appreciate the patience of the Senate.

Mr. TAFT. Mr. President, I intend to vote for the conference report, although I am not very well pleased with it. The main reason why I am not pleased with the report is that it has become interminably complicated, to such an extent that it is very difficult to understand exactly the meaning of the compromises which have been made. I do not think it is anything like as satisfactory, from the standpoint of straightforwardness, as the original bill passed by the Senate and the House and vetoed by the President, nor is it as clear as the joint resolution passed by the Senate.

I should like to explain what I think the conference report means, because, as I have said, it is certainly extremely complicated.

First, I should like to deal with section 11, which, is the Barkley amendment, proposed by the distinguished majority leader in lieu of the amendment which the Senate adopted, and which I offered in the Senate when the original bill was passed.

Under the formula as originally passed it was required that the cost of each product of an industry should be figured as of 1941, and that the industry should be entitled to add to the price which it received in 1941 the increased costs since that date. That was a fairly simple idea. The OPA contended that it was difficult to administer, but the formulas contained in the pending conference report, or some of them at least, are just as difficult of administration. In fact, the basic theory of the Barkley amendment is almost exactly the same as that of the Taft amendment.

I think it is fair to say that, as an over-all proposition, the Barkley amendment, like the Taft amendment, destroys the over-all industry standard which the OPA has used and insisted upon for the last 3 years. That was the standard under which they said that, if an industry was making a profit on one or two things, it could be made to sell some other product at a loss or at cost. The principal purpose of the amendment I offered was to destroy that standard and to provide that every product had to stand on its own feet, and had to return to the industry, on the average, at least, the cost of production, plus a reasonable profit; although I made the exception that, if the industry had never sold a product at a profit, it was not entitled to do so now.

Under the Barkley amendment three different formulas are applicable at the discretion of the OPA, either this way or that way or some other way. Each of those standards is different. All of them destroy the over-all industry standard. All of them for the first time put the pricing of products on a product basis under all circumstances. So that I think they accomplish the main purpose of the Taft amendment, and are in every way similar to it.

The differences are rather minor and complicated, and also difficult to explain. The basic Barkley formula, contained in section 11 (6) (B), provides that—

No maximum prices shall be established or maintained for any product of a producing,

manufacturing, or processing industry * * * which do not return on the average to the industry not less than the average dollar price of such product during the base period—

Which is 1940—

plus the average increase in cost of producing it since the base period.

That formula is exactly the same as that of the Taft amendment, except that 1940 is used instead of 1941, and that the costs, instead of being added to the individual manufacturer's price of 1941, are added to the average price of 1940. I do not think that is very important, but so far as it has any effect, it discriminates against the smaller manufacturer. The smaller manufacturer is usually getting more for his product, his costs are somewhat higher, and by reason of his being closer to his customers, or furnishing some special service, or having friends over a long period, he got little more than the regular large-scale manufacturer, and had to get a little more in order to pay his increased costs. The Barkley formula abolishes that difference and says the two must sell at exactly the same price.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WILLIS. I have been very much disturbed about that feature of the conference measure. As I interpret it, we are going to do business on an average in America under this plan. We are going to have average production, are we not? Will we get the production out of the bill that we need to supply the quantity of things America needs, and will it be necessary to bring the prices down in competition?

Mr. TAFT. I do not think it is quite so promising as the Taft formula, but I think it does something, because it does away with that iniquitous practice of the OPA to make a producer sell an article at a loss. It makes the OPA allow the manufacturer a profit at least. Now that profit is on the average.

Mr. WILLIS. What happens to the man who can not make it on the average?

Mr. TAFT. It is true that for various reasons, the small producer often received a higher price, and when everything is reduced to a standard such as this, he loses that advantage. While it may encourage production for the large manufacturer, it is not so effective to accomplish that purpose for the small manufacturer, or for the encouragement of the establishment of a great many smaller manufacturers. I think that is unfortunate. As to the total overall production, I think probably it would have the same effect, but I believe we ought to encourage the small business instead of the large business.

Mr. WILLIS. It is likely to work a hardship on the small producer.

Mr. TAFT. Yes.

Mr. WILLIS. Who has suffered under OPA during the 4 years of its existence.

Mr. TAFT. Yes. The small producer suffers under price regulation. He can not adjust himself as well as can the large manufacturer.

There was put in at the end of paragraph (b) an alternative standard for OPA. This language was inserted:

but the maximum prices for a product shall be deemed in compliance with this standard if such prices, on the average, are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

That means it must be done on a product basis. But the OPA can say every product must be sold on the basis of its present cost, but there must be added a profit margin, and that profit margin may be the average profit margin the manufacturer had on all his product in 1940, instead of the profit margin he had on the particular product. That, Mr. President, is another average. But I do not think it changes substantially the net result, except that every one will have to figure both ways, and the OPA will have to figure both ways before they can apply the standard. It simply makes the work more complicated.

The joint resolution as it passed the Senate contained two provisions which practically gave the OPA power not to apply the standard if it did not want to do so. Both provisions have been changed by the conference committee on the insistence of the conferees on the part of the House of Representatives. So, in effect, to a large extent, we have accomplished what I was attempting to accomplish when I tried to strike out those three provisions. The first provision was one which said that after the Administrator had figured these costs he could then say, "Well, that is all very well. You are figuring that on the basis of a million and a half automobiles this year, but I think a normal production, say next year, will be four or five million automobiles. So I am going to give you this year's profit on the basis of what you are going to do next year in the way of costs, which will be lower, I think, than the cost you are going to have this year with a smaller volume." That is changed so that in figuring cost they can only look 3 months ahead. I think that met entirely the objections which I had.

Subparagraph (f) provided originally that if maximum prices of a product equal its costs, and if the Administrator found that increased production was not necessary in his opinion, or would interfere with some other production, then he did not have to apply the formula. Instead of that he could simply say "Here are your costs without any profit at all," and perhaps even without overhead. As changed by the conference committee it is now required that, even if the Administrator finds that increased production is not practical or necessary, still he must apply a formula on the product basis. He must still say that every product must return its costs, plus a reasonable profit.

That is a third formula in section 11. But again it preserves the principle that it must be figured on a product basis; that every product must stand on its own feet, and that the OPA cannot force a product to be sold at cost or at a loss. The only change is that if increased production is not practical the Administrator may then say "This is a reasonable profit," instead of having to apply the 1940 profit. As a matter of fact, the Administrator in many cases has held that the 1940 profit was reasonable. He might chisel 1 or 2 percent off the formula by

making the finding that increased production is not possible, but the total result, I think, Mr. President, of the change in this formula, when we get all through, is that possibly there might be a 4 percent lower price on manufactured goods than there would be under the Taft formula as originally proposed.

That is certainly not of tremendous importance to the people of the United States, and while I do not think it is as encouraging to production, or as fair, I believe that this formula, like the other formula, abolishes the over-all industry standard and forces the OPA to price every product so that there will be an encouragement to people to produce, and fill up the shelves, which in so many respects today are completely empty.

So, I would say that the net result of this change over the former measure meets in some respects the criticism of the President, but substantially carries out the principle of the amendment which I offered. Apart from the complication of 3 different formulas, the chief difference is that it is based on 1940, instead of 1941. I chose the 1941 date, because that was in the price control law, but it is true that the margin before taxes was about 3 percent higher in 1941 than in 1940. The margin after taxes was less. Both those matters have to be taken into consideration. So that while this basis is somewhat slightly lower on manufactured goods, it is not very much different.

Mr. HAWKES. Mr. President—

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Ohio yield to the Senator from New Jersey?

Mr. TAFT. I yield.

Mr. HAWKES. Was it not a fact that under the Senator's amendment in the original bill the Office of Price Administration was forced to do certain things in respect to which it is now left very substantially, in my opinion, to their option or judgment as to what is reasonable under certain conditions? I think that is a very important change.

Mr. TAFT. No, that is not entirely true. It is true of the measure passed by the Senate, but the changes made in conference result in this, that OPA must apply a cost plus formula, and they must apply it to every product. That is not in their discretion. They do have discretion to vary the profit, and instead of being forced, as they were under my amendment, to apply the 1941 profit, if you please—that was the effect of the formula, to state it backward really—they now may apply the formula of a reasonable profit. A reasonable profit is a profit, but it is not so adequate as the provision of my amendment. They can only do that if they find that increased production is not practicable, but they can always find that.

Mr. HAWKES. The distinguished Senator from Ohio has done a tremendous amount of work in this connection, and I believe it has been in the interest of the welfare of the ordinary people of the United States. But I cannot help feeling, from what I have heard here today, and from what I have read and seen in connection with the conference re-

port, that the Office of Price Administration has a power in connection with determining what is a reasonable profit that it was never the intention of the Senate should be left to the judgment of one man. I know the Senator feels that there are certain instructions given to the Decontrol or the Control Board, or whatever one has in mind to call it. I wonder whether we will know what those instructions will be when we get through with the measure. I know the Senator feels there are certain definite instructions in the report, but I contend that when it gets down to the point where it says that the Price Administrator does not have to do this thing, or that he can determine what is a reasonable profit, and, under certain conditions which are left entirely in his discretion and control, he can reach a decision from which they is only an appeal to the Emergency Court of Appeals, the result will be to stymie business throughout the United States and very seriously interfere with the production we are all seeking to obtain in order to get the prices down where they belong and thereby to give the people what they need.

Mr. TAFT. Of course, the decontrol matter has nothing to do with this, and the discretion given with respect to decontrol has no relation whatever to the question of what price shall be fixed if an article is decontrolled. As I have stated before, the respect in which this is completely similar to the Taft formula is that it destroys the over-all industry standard once and for all. It requires every product to be priced on a product basis, on the basis of the cost of the particular product, and to the cost of that product must be added a reasonable profit. I agree that the difference is that the Price Administrator is given some discretion and power to say that he is going to apply the formula, with a reasonable profit, instead of the 1941 or 1940 profit which formerly existed. But as I say, I do not think that that will make a tremendous difference. I know it will not make much difference in prices. I do not think the President has gained a great deal by that particular concession, and it still forces every product to be priced in such a way as to bring about greater production of it.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McMAHON. I assume the Senator is discussing section 11?

Mr. TAFT. Yes.

Mr. McMAHON. I have received an inquiry with respect to roofing material. The particular concern I have in mind is engaged in roofing, siding, and insulating work. Is it the Senator's interpretation as to the meaning of the language that those engaged in doing this kind of work come within the meaning of subparagraph (e) and are protected the same as producers, manufacturers, and processors?

Mr. TAFT. The Senator is referring to a company which repairs roofs, is he not?

Mr. McMAHON. That is correct.

Mr. TAFT. Such a company is subject to control as a service industry; and service industries are included in the pro-

visions of section 6 (b). After referring to the product of a producing, manufacturing, or processing industry, that paragraph contains the following language in parentheses:

(including any industry furnishing service or transportation the charges for which are subject to the Administrator's control.)

So the general formula of section 6 (b) applies to such a concern. In other words, initially it is permitted to charge what it charged in 1940 plus increased costs since that date. But the Administrator may apply another formula which provides, in effect, that it must get his present costs plus a reasonable profit.

Mr. McMAHON. I thank the Senator.

Mr. TAFT. The part of the joint resolution which I like least, and the change with which I most completely disagree, and against which I voted at every point, is the change in the Wherry amendment, in paragraph (t) on page 12. In the joint resolution as it passed the Senate the provision was as follows:

In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow for the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

The date in the bill which originally passed the Senate was January 1, 1946. The Senate passed the joint resolution with the date June 29, 1946, and the conference made it March 31. It so happens that very few of the distributors' margins were cut before January 1, so the original bill in effect provided that the distributor should not be forced to absorb increases made since January 1, when prices began to increase. From the 1st of January to the 1st of July there were approximately 650 general price increases made for manufacturers. Of those, about 150 were prior to March 1, and approximately 250 prior to April 1. About 400 were made since April 1. The result is that those who were required to absorb before March 31 are still required to absorb. Those who were required to absorb after March 31 may now return to their original margin. That is a discriminatory provision. It was said that it was discriminatory when the date was made January 1. It was, but there were very few price increases prior to January 1, so that was a rather minor fault. But it seems to me that this date is very unsatisfactory. I think it is unfair to the distributors who were forced to absorb prior to March 31, and now must continue to absorb forever, or as long as price control lasts.

The decontrol section is the most important section of the joint resolution. Under the terms of the bill originally passed by the Congress and presented to the President, the only substantial change that was made was with respect to the requirement for the pricing of manufactured products. I do not believe that in any event the increase could have amounted to more than 10 percent over present prices. In many cases there would be no increase at all. In many cases increases had already been granted. The President chose to veto the bill because of the threatened increase, which, incidentally, would not

have occurred until 90 days after the passage of the measure, and in most cases not until the first of the year, when we would have been in sight of the end of price control anyway. Because he chose to object to that particular provision, he decontrolled everything, and everything is now decontrolled. Particularly he decontrolled foods and rents, and by his veto he brought about an increase in the price of food which is general and which undoubtedly it will be almost impossible to reverse. He decontrolled foodstuffs and rents.

My general impression is that, so far as the people are interested in continuing OPA, the great majority of them are interested only in food and rents. One of the newspapers in Cincinnati conducted a poll on the basis of the general question, "Do you think OPA ought to be continued?" The vote was perhaps 2 to 1 in favor of it. Another question was, "Do you think it ought to be confined to food and rents?" A slight majority were in favor of confining it to food and rents. In general, the people are interested only in food and rents. So far as manufactured goods are concerned, they are willing to wait. If they think the price is too high today, they will wait until the price is lower. In many instances they do not have to buy clothing. Suits and other things can be made to last a great deal longer than we thought possible before the war. But we must have shelter and must eat food every day. Those are the things with respect to which it was important to continue price controls. The President, by his veto, has decontrolled food, and has permitted increases in the price of food which may or may not be justifiable, but which in any event it will be almost impossible to reverse.

We have the problem of what we are going to do. Personally, I feel that the things which have been decontrolled had better stay decontrolled. We have had the shock. I feel that in time the law of supply and demand will bring prices into line, particularly in the case of grain. We have large grain crops. Other conditions will take care of grain prices. In the case of meat I feel that it is almost impossible to control or recontrol meat. I think it is unfortunate that we could not obtain the provisions of the joint resolution as it passed the Senate. What we have is an unsatisfactory compromise, but it is a compromise; and, if carried out in good faith, in my opinion, it must result in the decontrol of a great many products.

The decontrol provisions have been described. We took the commodities which were decontrolled by the Senate and divided them into two categories. By this measure, poultry, eggs, tobacco, and petroleum are decontrolled. In the case of tobacco, poultry, and eggs the Secretary of Agriculture is given the power, with the approval of the Price Decontrol Board, to put those controls back at any time when prices appear to be getting out of line. But he must find three things—

Mr. MOORE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MOORE. That is an entirely different formula from what was provided as to decontrol of petroleum in the

other bill. The other bill provided that if there were a short supply, if supply did not equal demand, it could be re-controlled. Nothing was said about profits.

Mr. TAFT. That is correct; but the pending measure would make it more difficult to recontrol petroleum than would the original bill. The provision with respect to petroleum in the pending measure is as follows:

Nothing contained in this act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum or petroleum products processed or manufactured in whole or in substantial part from petroleum, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (d), but only under the standards prescribed in paragraph (8) (C) of subsection (e).

That means that the Administrator, with the consent in writing of the Price Decontrol Board, may reestablish control, but only under the standards prescribed in paragraph (8) (C) of subsection (e).

In order to recontrol, the Price Administrator and the Price Decontrol Board must find, first, that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30; and second, that such commodity is in short supply. In other words, they must make the finding which they had to make under the Senate provision, and in addition they must find that the price has risen unreasonably. In the third place, they must find that the regulation is practicable and enforceable.

Mr. MOORE. Does the word "supply" mean supply for world needs, or supply for domestic demand?

Mr. TAFT. My impression is that it is exactly the same as in the original amendment offered by the Senator from Oklahoma.

Mr. MOORE. Under the former amendment it was confined to the domestic demand.

Mr. TAFT. The commodity must be found to be in short supply. That means supply in this country. As I understand, we do not export any substantial amount of petroleum. So I do not think that makes any difference. I should say without question that the provision with respect to recontrol of petroleum is better that it was in the original amendment offered by the Senator, which permitted recontrol. I believe that petroleum is treated better under the terms of this measure than is any other commodity, when we compare the present measure with that which was previously passed.

As to the commodities to which reference has been made, there must be a finding that the price has gone up unreasonably. In the case of dairy products, as suggested by the Senator from Wisconsin [Mr. LA FOLLETTE], an increase already granted by the Price Administration, and which did not go into effect because the Price Control Act expired, must be admitted by the Price Administrator to be a reasonable increase. So unless the prices of dairy products go up more than the subsidy plus the

granted increase, there could be no claim that prices had risen unreasonably.

As to the other three commodities, the provision is less satisfactory. It depends upon action by the Price Decontrol Board before August 20. If the Board does not act at all, controls are restored. I think that would be a gross breach of faith on the part of the Board and a failure to follow the instructions, which are that—

The Price Decontrol Board shall proceed forthwith to consider whether the commodities listed in subparagraph (A) shall continue, after August 20, to be free from regulation under this act and the Stabilization Act of 1942, as amended.

The Board will be considering a question which will become a moot question on August 20. So it seems to me perfectly clear that the Board is directed to make a finding before August 20.

The report also contains the following provision:

Such Board after due notice of a public hearing and full opportunity for representatives of affected industries and consumers to present their views orally or in writing.

In other words, we do not want the Board to be permitted to say, "Well, these people want to be heard; and since they want to be heard, we cannot decide it."

The Board may shut off oral hearings, as we considered, 3 weeks before August 20, and in the time intervening between then and August 20 they will be able to consider the matter and to arrive at their decision. That situation would apply to all categories of commodities mentioned at this point in the report—namely, grain, wheat, dairy products, feed, and meat. So I believe the Board must act before August 20 one way or the other. The Board might not have as much information as it would like to have, but the problem is a very definite one. The decision is not dependent upon the collection of a great many statistics. It is a decision which, I think, the Board will be able to reach—namely, whether the price has risen unreasonably and whether the commodity is in short supply. Those matters can be determined. The Secretary of Agriculture can give the Board figures on those matters overnight.

As I have said, the report provides that—

Such Board shall direct that any such commodity shall not be so regulated unless it finds—

Not only that the price has risen unreasonably above the price on June 30 and that the commodity is in short supply, but—

That its regulation is practicable and enforceable, and

(iii) that the public interest will be served by such regulation.

In other words, even though the Board may find that there is a short supply and that there is an increase in price, the Board still may find that the public interest does not require control.

I personally do not see how the Board can find, particularly as to meat, and certainly as to beef, that such a regulation is practicable and enforceable. Certainly it will be much less practicable and enforceable after the period of free-

dom from OPA, which by that time will have amounted to 7 weeks.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. Then why did not the Senate conferees adhere to the Senate's provision for the specific decontrol of meat, as provided for in the joint resolution as passed by the Senate.

Mr. TAFT. I was in favor of it, and I voted for it every time I could.

Mr. WHERRY. The Senator from Ohio may have been in favor of it, but the conference report does not provide for the decontrol of meat.

Mr. TAFT. That is obvious, and we have so stated.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. RADCLIFFE. I should like to emphasize that the Senate conferees made repeated efforts to have the conference report include the decontrol of meat, as provided by the joint resolution as passed by the Senate. The point of divergence is that the provision now under consideration was not accepted by all of the conferees until the conferees on the part of the House took the attitude that they would not accept the proposal originally submitted by the Senate. We were in deadlock for days. We had reached a stalemate, and both groups of conferees were about to report a disagreement. Then my first proposal of compromise was made by me, in the hope that an agreement could be reached. This was rejected but my modified proposition was eventually adopted with some slight change. But I think the conferees on the part of the Senate pressed their points and emphasized the position of the Senate about as far as they could with any prospect of success.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. TAFT. I do not yield for the moment, Mr. President.

Let me say that this amendment providing this formula for decontrol or recontrol was offered by the distinguished Senator from Maryland, who throughout the conference stood out against giving up provision for decontrol. As I have said, I thought that one night we were going to reach a disagreement. Then the Senator offered this amendment. It was somewhat better in the form in which he offered it than it was in the form in which the conference finally wrote it in. But in substance the formula is here, and it still governs all action under the amendment. I think the Senator was justified in trying to reach a compromise. I say frankly that my only doubt is whether this amendment will be carried out in perfectly good faith from a judicial standpoint, applying this formula, and not from an ideological standpoint, as I fear it may be carried out.

I was very much pleased, indeed, to have the assurance of the distinguished Senator from Kentucky, which I may say we also had in the conference committee, that the Decontrol Board will be immediately appointed, before the Congress adjourns, and that the Senate will have

an opportunity to pass on the members who are appointed to the Board. I think that is the most important key to the whole question of decontrol.

I have stated that under this formula I do not see how meat can be recontrolled, because I do not think any reasonable man can maintain that its regulation is practicable or enforceable under present-day conditions.

As to the matter of unreasonable price, I myself do not think wheat can be reasonably recontrolled. Wheat has gone up about 5 percent. There is every prospect for the largest wheat crop we have ever had in this country. There is a prospect that wheat will be received from other countries. I hold in my hand a telegram which I have received from the president of the New York Produce Exchange, who is well informed, although of course I do not vouch for the facts that are stated in the telegram. He says:

NEW YORK, N. Y., July 19, 1946.

Hon. ROBERT A. TAFT,

Senate Office Building,

Washington, D. C.:

I hope you will stand firm for the decontrol of grain and grain products as well as meat, poultry and dairy products, especially in view of the fact that I today learn that Russia is now soliciting the various European governments seeking buyers for one and a half million tons of wheat, rye, and barley and of course it is possible that they have larger stocks available for export than these figures would indicate. Certainly in view of the prospects of large crops of grain in this country according to the most recent figures issued by the Department of Agriculture and the necessity to export some of this grain in order to enable the American farmer to obtain good prices for his products it now seems possible that Russia is about ready to disrupt the entire world price structure as far as grains are concerned. If I am correct in my assumption regarding this situation so much more reason for releasing controls on meat, poultry and dairy products since the farmer will necessarily have to look to the feeding of animals for the disposal of a good part of his crops which in turn will naturally mean a tremendous production of meat and other dairy products. I am more concerned about the prospective decline in farm prices than I am of the possibility of sharp advances above former OPA ceiling prices. For your further guidance oats declined 5 cents per bushel today in the leading markets of the country and are now selling 16 cents per bushel under the previous ceiling established by OPA. For your guidance I have also wired Senators GEORGE L. RADCLIFFE and CHARLES W. TOBEY.

CHARLES B. CROFTON,

President, New York Produce Exchange.

That is a fair indication that if the Board acts according to the facts, it will be wholly unable to find that wheat, in any event, is in short supply or that its price has risen unreasonably above a price equal to the price in effect on June 30.

Corn is in a somewhat different status, because the old corn crop has gone, and corn is selling at a very high price. I assume there would be justification for the recontrol of corn and perhaps for the recontrol of hogs. But I certainly see none for the recontrol of wheat or the recontrol of meat, after the Board is set up.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. CAPEHART. I should like to have the Senator from Ohio explain why he thinks corn and hogs should be recontrolled?

Mr. TAFT. I did not say I think they should be recontrolled. I said I think they might be recontrolled. Corn is now selling at \$2.25 a bushel on the Chicago market, because there is very little corn left. That is the reason for that price. With a three and one-half billion bushel crop of corn coming in, I suppose that strictly speaking, the Board should take that into account and should find that corn is not in short supply. But I do not think that is a perfectly clear case, or as clear as the others are.

Mr. CAPEHART. I think the records show that there is a 550,000,000 bushel carry-over of corn, and that there is the possibility of the largest corn crop in the history of the Nation—approximately 3,500,000,000 bushels, as against a previous high mark of 3,200,000,000 bushels.

Mr. TAFT. I am in favor of decontrolling corn. I was then discussing whether under this formula the Board would have to recontrol it. I do not think it would have to. Of course, today corn is selling for more per bushel than wheat is selling. Certainly that shows an abnormal condition, insofar as corn is concerned. As the Senator from Indiana knows, corn always sells for probably 30 percent or 40 percent less per bushel than wheat sells for.

Mr. CAPEHART. Let me ask this question: Suppose that when the corn crop is harvested in October and November, we find that we have a crop of 3,500,000,000 bushels, which in normal times would be a crop which would reduce the price of corn approximately 50 percent; in normal times, if corn had been selling for 80 cents a bushel, with a crop of that size corn would automatically drop to a price of 40 cents a bushel. Does not the Senator think that decontrol is justified under those circumstances?

Mr. TAFT. As I understand the matter, if the Board decides not to control on August 20, its powers then cease. But thereafter the Decontrol Board may decide that the short supply justifies control, and then control may be placed on the commodity. The sole question is whether corn is in short supply. It could be decontrolled by the Secretary of Agriculture later, even though the Board should refuse to decontrol it.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. VANDENBERG. The Senator has repeatedly referred to the necessity for good faith in the administration of this compromise proposal, if it is to succeed. I have always been under the impression that the fundamental reason why there has been a long stalemate between Congress and the OPA in respect to this whole problem has been the stubborn and often stupid refusal of the OPA to recognize the congressional desire for maximum decontrol at the earliest possible safe moment, and a complete refusal to cooperate with that point of view.

I now ask the Senator whether we are confronting a similar situation in

respect to the conference report? Does not the Senator agree with me that the conference report and the system created by it will not succeed, either to the satisfaction of the country or the Congress, if it continues to be administered by an OPA and an associated authority which undertakes to see how long and how much control can be maintained, instead of undertaking to see how soon and how safely decontrols can be made permanently effective?

Mr. TAFT. I agree entirely with what the Senator has said, and the success of this measure will depend on the decontrol board. Of course, that board, so far as we can make it so, will be completely independent of the OPA and the Price Administrator. It will be appointed directly by the President. It will set up its own organization and will be, therefore, a new body. Provision for it was made in the original bill. It did not have the extensive powers that it will have under the present measure, but it did have considerable powers. The OPA is dominated by what I believe to be an ideology instead of common sense, and unless we get away from it I do not believe we will accomplish what we want to accomplish in respect to petroleum, tobacco, poultry, and eggs. If we mean what we have said we mean, we are starting to decontrol. What I have strenuously objected to heretofore is that we were only renewing controls. We are now actually starting to decontrol, but, in my opinion, we have not gone far enough.

Mr. VANDENBERG. Is it not true that, even from the point of view of those who will support the conference report, it would be better not to adopt this compromise if it is to be administered in the same old spirit of total opposition to the congressional point of view that maximum decontrol should be brought about as soon as it can be safely obtained?

Mr. TAFT. I agree with the Senator.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. CAPEHART. Does the Senator care to comment on the statement which the former OPA Director, Mr. Porter, made, namely, that the present measure is much better than the one which the President vetoed?

Mr. TAFT. Mr. Porter will have to say that if the President signs this measure; otherwise the President will be made ridiculous.

Mr. CAPEHART. I do not know how we can have much confidence in a man who makes a statement that the measure which we are now considering is a better one than the one which the President vetoed a few weeks ago.

Mr. TAFT. What is a good bill and what is a better bill depends on from what point of view the bill is looked at. I would say that the present measure will hold down by a few percent the price of manufactured products, which is not important in connection with inflation. But, at the same time, the bill increases prices in the case of some food-stuffs, which is important from the standpoint of inflation. The President certainly has succeeded in getting con-

siderable decontrol of a great many food products which will be almost impossible to roll back to the point where they previously were. Any attempt to roll meat back under control would simply result in a complete elimination of the supply of meat. There would not be any. The President, by his veto, has, himself opened the door to a condition with which he can no longer interfere. We are asking that some of the decontrols be continued. Therefore, I should think that the net result, from the standpoint of inflation, if that be a danger, is that the pending measure will be far more inflationary than was the bill which the President vetoed.

Mr. CAPEHART. Mr. President, I questioned the sincerity of the former OPA Director when he made the statement to which I have referred. It seems to me that any 6-year-old child should know that the measure which is now before the Senate is, from the President's standpoint, a much worse measure than the bill which he vetoed a few weeks ago. The pending measure decontrols many things which the former measure did not decontrol. The pending measure decontrols many products until August 20. Unless the President dictates to the Decontrol Board—of course he will appoint the members of the Board—they will keep under decontrol livestock, grains, and other commodities which are in long supply. So I question the sincerity of the former Administrator of the OPA, just as I have questioned it for many months, ever since I became a Member of the Senate.

Mr. TAFT. Mr. President, I think the Senator from Indiana is entirely correct in what he has said. The measure now before the Senate is more inflationary than was the bill which the President vetoed. So, I would think that it is a worse bill from the President's standpoint. I do not think that it will result in an increase in prices greater than will be absolutely required because of increases in costs and wages which have already taken place, and largely as a result of the policy of the Administration itself. But, from the standpoint of higher prices, the pending measure undoubtedly is more inflationary than was the one which the Senate passed a few weeks ago and which the President vetoed.

Mr. MOORE. Mr. President, what commodities does the conference report operate to decontrol except at the discretion of the Decontrol Board and the Administrator?

Mr. TAFT. The joint resolution, which is the subject of the conference report now before the Senate, decontrols many commodities from now until August 20, or a period of several weeks. That alone will be a substantial freeing of the market for a while. In the second place, formulas have been laid down on which recontrols may be imposed, and I have tried to explain to the Senate that, in my opinion, if the act is administered in good faith, almost all the decontrols will continue in effect. That is my answer to the Senator from Oklahoma.

Mr. MOORE. Does the measure permit the Decontrol Board and the Administrator to recontrol every commodity produced in the country?

Mr. TAFT. Yes, if they find first, that a commodity is in short supply; second that the price has risen unreasonably; third, that control is practicable and enforceable, and fourth, that it is in the public interest—which, I agree, does not mean very much. But those requirements are laid down by the Congress, and certainly we have the right to believe that some attention will be paid to them.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LANGER. I have been attending a very important meeting of the Judiciary Committee and therefore was not able to be present in the Chamber during the entire time the conference report has been under discussion. I should like to ask one or two questions.

The threshing season in South Dakota and Nebraska will be over by August 20, whereas in North Dakota and Montana the grain will be coming in. Just how will the law affect that situation?

Mr. TAFT. The Senator is talking about wheat primarily?

Mr. LANGER. Yes; and also flax.

Mr. TAFT. In my opinion, as I stated before the Senator came into the Chamber, those commodities are to be decontrolled until August 20, in any event. If the grower of wheat can dispose of it by August 20, he may charge whatever price he can receive for it. Of course, that depends somewhat on whether the grower can get his wheat to the market. If wheat is recontrolled, the present measure will result in the cancellation of contracts for wheat after August 20. The Board of three, as provided for under the measure, will decide whether wheat will be decontrolled, or recontrolled. I do not think the Board will be able to find that wheat is in short supply; but if it refuses to make that finding and permits recontrol, the situation thereby created will be very complicated. Then the OPA may roll back the price. If they are wise they will not roll back the price on wheat. They will accept a new price which will not be unreasonable, as the Senator knows. On the other hand, they have the power to roll back the price and thereby leave many persons holding the bag, they having paid more for wheat than they could sell it for. Legally, I believe they would have a right to go to the OPA and insist that what they had paid for wheat was a legitimate transaction, was therefore a legitimate cost, and must be reflected in their prices. Whether they would be able to obtain favorable action from the OPA I cannot assure the Senator.

Mr. LANGER. Mr. President—

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Ohio yield to the Senator from North Dakota?

Mr. TAFT. I yield.

Mr. LANGER. Where a local elevator has purchased wheat and actually has it on hand, and bought at a higher price, how would that be affected in case the bill should be enacted?

Mr. TAFT. The elevator may have paid a higher price and since it has not disposed of the wheat and still owns it, it may, under the ceiling price which will be imposed, be unable to sell except at a loss. I think the distinguished

Senator from Kentucky made the statement, which I think the Senator might examine in the RECORD, that the Price Administrator assured him that that situation would be taken care of in a higher price for wheat, which could be obtained by the elevator. But that is not required by the conference bill.

Mr. LANGER. I was going to say that if it is not required, it might break nearly every elevator in the Northwest.

Mr. TAFT. That is correct.

Mr. STANFILL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. STANFILL. Let me ask the Senator from Ohio a question about subsidies. How much does the Government subsidize meat, for instance, and poultry? How much has it subsidized dairy products and the other products?

Mr. TAFT. The subsidy on meat has run about 5 or 6 cents a pound. It has cost the Federal Treasury \$720,000,000 a year.

Mr. STANFILL. On meat alone?

Mr. TAFT. On meat alone. The subsidy on dairy products runs 2 cents a quart on milk, 12 cents a pound on butter, and I think 7 or 8 cents on cheese. In a good many places it runs 3 cents a quart on milk. The increases in the prices of the milk and butter and cheese, which have taken place recently, have been almost equivalent to the subsidy; very little more. The actual increase in the price of butter from 57 cents to 69 or 71 cents wholesale has just about reflected the amount of the subsidy which was removed. That cost the Government about \$515,000,000, and was going to cost it around \$750,000,000 if the OPA had gone on with the plans they had for increasing the subsidy instead of increasing the price.

Mr. STANFILL. Approximately how much, in all, during the period just prior to June 30, 1946, did the Government pay out in subsidies in order that OPA might say it was holding the line on prices?

Mr. TAFT. The total subsidy program submitted, which was in force in June, was at the rate of \$2,000,000,000 a year. That \$2,000,000,000 was reduced by the committee to \$1,000,000,000, and the conference report measure requires that subsidies be eliminated, with a few exceptions, on April 1 of next year. So all subsidies will have to be reduced, even if there is recontrol. No subsidy can be paid on a commodity which is not controlled. If the commodity is controlled, the subsidy may be paid, but not in the volume in which subsidies have been paid in the past. They have to be gradually reduced.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. Is there any way to estimate, with a degree of accuracy, the difference between the subsidies paid in the past, per annum, by the OPA, and the subsidies which will be paid if the joint resolution shall be enacted?

Mr. TAFT. The difference is just one-half.

Mr. REVERCOMB. It will reduce it 50 percent?

Mr. TAFT. It will reduce it 50 percent, with the requirement that subsidies will end on the 1st of April. Because of the

President's action subsidies were taken off all at once, and the increases in the price of food which are widely advertised are largely the result of the removal of the subsidies, which were brought about by the President's veto, not gradually, as we contemplated, but all at once. Of course, the increase in the price of food is not a real increase. It simply means that the increase is paid by the citizen as a consumer instead of as a taxpayer. We now pay more for food, but it should be reflected in a decrease in the percentage of the income tax that is taken off consumers, or most of the consumers.

Mr. SHIPSTEAD. Mr. President, I did not get the figure as to the total subsidies which had been paid on food during the period of the war.

Mr. TAFT. I do not think I can give the Senator that figure. In the year ended, on the first of July, it was about \$2,000,000,000. It had been an increasing amount. It started in 1943, I think, and probably built up gradually from \$500,000,000 to about \$2,000,000,000 a year. Now we have reduced it to \$1,000,000,000.

Mr. SHIPSTEAD. That means that the population was eating food and was to pay for it on a deferred basis in the future?

Mr. TAFT. At a time when the consumer was well off and wages were high, I never could see why the consumer should not have paid the real cost of what he ate. I always thought the policy adopted was unsound. I was always fighting to limit subsidies. The only question now is how fast we can get rid of them. I think it is generally agreed they should be brought to an end.

Mr. SHIPSTEAD. But they will have to be paid for out of taxes in the future?

Mr. TAFT. They will have to be paid for out of taxes in the future, and at the present moment they have to be paid for out of bonds, and that is, therefore, to my mind, more inflationary than increasing the price of food to take care of them.

Mr. ROBERTSON. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. ROBERTSON. In connection with what the able Senator from Ohio said to the able Senator from North Dakota regarding wheat, I should like to ask if there is any means provided in the conference report of protecting the feeder or producer of livestock. At the moment probably 50 percent of the lambs have been contracted, in my State certainly, and many of the feeder beef steers have been contracted. Is there any paragraph or clause which would protect the feeder who purchased that livestock for feeding, if the conference report should be agreed to and be signed by the President, and the prices were reduced?

Mr. TAFT. The feeder who bought them for feeding?

Mr. ROBERTSON. Who contracted for them, which they do generally months ahead.

Mr. TAFT. The feeder would have made a mistake, I think, to make a contract at the higher price. I doubt if

many feeders made contracts at higher prices than the ceiling prices, if there were ceiling prices.

Mr. ROBERTSON. About 50 percent of the lambs in Wyoming have been contracted for September and October delivery.

Mr. TAFT. The feeders are not protected under the joint resolution.

Mr. ROBERTSON. In no way?

Mr. TAFT. In a general way, yes; in that there are a good many provisions all through the joint resolution that the Administrator must recognize actual costs, and of course what the dealers pay are actual costs. But whether they can succeed in getting that change made before they lose money I do not want to promise, because that has not been the history. The history has been that the delay in securing the adjustments is material. I think the Senator might propound his inquiry to the Senator from Kentucky. The Senator from Kentucky gave assurance that the Administrator was going to take care of grain bought at higher prices, but whether that related to livestock I do not remember. I do not remember the exact wording of his statement.

Mr. ROBERTSON. I shall try to seize the opportunity to ask the Senator from Kentucky.

Mr. STANFILL. Mr. President, will the Senator from Ohio yield again?

Mr. TAFT. I yield.

Mr. STANFILL. The sum of \$2,000,000,000, which the Senator from Ohio says was paid out by OPA in subsidies during the year just ended, June 30, 1946, is so staggering to me that I can hardly conceive of that amount of money. I heard the Senator from Ohio some days ago, when we were considering the price-control bill in the Senate, speak about OPA propaganda. Did the Senator ever find any part of their propaganda in which they said that they paid out \$2,000,000,000 of the taxpayers' money in order to try to hold down prices?

Mr. TAFT. I think the Senator is correct in his implication. I think that subject was avoided in the propaganda. Subsidies were referred to in a general way. They said they should be continued, but I do not think the sums paid were ever mentioned, certainly not emphasized.

Mr. WILLIS. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. WILLIS. I ask for information, because I have not observed the subject covered in the bill. There was a practice on the part of OPA, which was very detrimental to industry, of making a new price on current costs to a new producer of an article, while the old producer, whose costs were based on those of 1941, which, as I recall, was the base period, was obliged to hold to his old price, and he could not meet the competition of the new article. Is there any provision of the bill which requires that when a price is fixed for a new producer it shall also apply to all the industry?

Mr. TAFT. No; there is no such provision.

Mr. WILLIS. There is nothing done to remedy that discrimination?

Mr. TAFT. The only remedy is that we have forced them to let the old producer obtain a more reasonable price. That is the general effect of section 11, but it is not quite so good as the original Taft amendment in that regard.

Mr. WILLIS. It does not require that the old producer be taken care of?

Mr. TAFT. There is a general provision in the original act that the Administrator may treat anybody as a hardship case and give him the right to charge a higher price. In the long run, that is not going to do him much good. He is not going to be able to get a higher price, as in the case of the larger manufacturer who is manufacturing in quantity. The difficulty has been that the established manufacturer has been forced to sell his goods at a loss, and the new manufacturer is able to get a much higher price. The general effect is to raise the price of the whole product. If the old established manufacturer is given a fair price, computed on his present costs with a reasonable profit, his production will soon reach such a point that the new manufacturer is not going to be able to get away with the higher price granted by the OPA.

Mr. WILLIS. But there has been a great divergence, a widespread difference, in the prices. The prices allowed to the old producer are low when compared with those allowed to the new producer.

Mr. TAFT. Yes.

Mr. WILLIS. And great hardships have been worked on old established producers. Some have been obliged to reduce their production. Some have refused to continue to produce.

Mr. TAFT. That comes about more from the fact that they have not been given any return at all, rather than from the fact that someone else was given a higher price. The average businessman under ordinary circumstances does not mind having a competitor who charges 50 percent more. He marks him off the book. He is not afraid of him.

Mr. WILLIS. And the old established producer would have been willing to produce at a higher price than that fixed by OPA, and produce a better article, than if he were allowed merely enough to take care of his current costs.

Mr. TAFT. Yes.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DONNELL. I should like to ask the Senator if he deems the period between the time of the passage of this measure and August 20 to be an adequately long period within which the Decontrol Board can perform the various duties required of it? May I indicate the particular illustration I have in mind. Under subparagraph (B) of paragraph (8), on pages 4 and 5, it is provided, as I understand, that if the Price Decontrol Board shall fail to direct on or before August 20, 1946, that the respective commodities therein mentioned shall not be regulated, such commodities go back under maximum prices, regulations, and orders, under the two acts. That is correct, is it not?

Mr. TAFT. That is correct.

Mr. DONNELL. Therefore, if the Price Decontrol Board shall find that the task of determining whether or not all types of livestock, milk, food or feed products, processed or manufactured in whole or in substantial part from livestock, from milk, cottonseed, soybeans, or food or feed products processed or manufactured in whole or in substantial part from cottonseed or soybeans, and grains which have been established under the United States Grain Standards Act, or livestock or poultry feed processed or manufactured in whole or substantial part therefrom—if the Board during the period between the time of the enactment of this law, or rather the time of the appointment of the Board, and August 20, shall find it impossible to ascertain whether any of those commodities should or should not be decontrolled, then they go back under the control. That is correct, is it not?

Mr. TAFT. Yes.

Mr. DONNELL. Now may I ask the Senator: Is there any provision in the conference report which designates how long a time the President has within which to appoint the Decontrol Board?

Mr. TAFT. If the Senator was present at the time, he heard the distinguished Senator from Kentucky assure the Senate that the Board would be appointed immediately before the adjournment of the Senate. As we expect to adjourn on the 1st of August, I take it that the Board will be appointed before that time. I covered this question when the Senator was not in the Chamber. I stated that the Board would have presumably 3 weeks, and I estimated that it might take them a week to get organized, and they may have a week for the public hearings, which would have to be short. We placed in the measure language providing that the views of those interested would have to be presented in writing, so it was clear that the Board did not have to let everyone talk indefinitely. The Board could assign 2 or 3 days, we will say, to hearing the industries, and the OPA, and would then have a week to decide. Of course the Board may say, "We cannot decide." But I notice the Senate did not have any trouble in deciding for instance, on cottonseed and soybeans in 10 minutes the other day when that question arose, without previous notice. I see no particular reason why a group of intelligent men, after spending a week in listening to the two sides, should not make a decision yes or no on these questions. But it does depend, as I have pointed out, upon the President's action in appointing the Board immediately, which he has assured us he will do.

Mr. DONNELL. May I add to the Senator's comment, with his permission, this statement: As I see it, under the wording of lines 7 and 8 on page 7 of the conference report the Decontrol Board is to be composed of three members appointed by the President, by and with the advice and consent of the Senate. It seems to me that with the tremendous importance attached to this particular Board, the Senate of course will desire to use at least reasonable care in giving its advice and consent. Now, suppose, for illustration, that the President shall

make his appointments, as we will estimate, on next Monday, and the Senate desires to adjourn on Wednesday or Thursday, we will say. It is entirely possible, is it not, that the personnel which he might select might be men comparatively unknown to the Senate, or with respect to whose views the Senate might desire to make very considerable investigation? Suppose, for illustration, that the appointments are made on Monday; that the action of the Senate with respect to them is not taken until, we will say, Thursday. There would only remain approximately 20 days within which the Board could exercise the various functions under the act prior to August 20? That is correct, is it not?

Mr. TAFT. That is correct.

Mr. DONNELL. Now returning to the first question I asked the Senator, Does he regard that length of time as sufficient to enable the Decontrol Board adequately to make the various findings of fact contemplated by subparagraph (B) on pages 4 and 5 of the conference report?

Mr. TAFT. I think the Board can do it just as I think the Senator could do it if he were a member of the Board. I think he could make up his mind and come to a decision on the basis of the evidence presented to him, and I think he could do so in 2 weeks.

I may say that there is this difficulty about making the time longer, namely, that while that time lags the country is in a state of uncertainty and indecision. In fact, I think it is a very proper criticism of the measure that we are not making this decision ourselves now instead of leaving it to the board. But it seemed to be impossible to have a measure which contained such a provision. It is important, for instance, in the livestock industry that the feeders know by August 20 whether they can go ahead. Cottonseed is now being brought in in Texas, and no one knows what can be paid for cottonseed. No one has the faintest idea of what can be paid for cottonseed. In fact, it probably will result in there not being any purchases made of cottonseed until the question is settled as to whether or not it shall be controlled, and what the price shall be. So we have a balancing of convenience. The longer we put it off the longer we keep the country in uncertainty. And also the shorter the time is, the more difficult it is for the Board to decide. But I see no reason at all why the Board should not decide. It is directed to do so. Its decision may not be correct, but certainly I see no reason why it should not make a decision.

Mr. DONNELL. I well understand the Senator's position, and I thank him for his statement.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. RADCLIFFE. I should like to say to the Senator from Missouri that this date was not reached casually or without most careful consideration. The first suggestion was that the moratorium be fixed at 30 days. The Senate conferees felt that even such a period would be too short a time, but the House conferees insisted upon 15 days. Reluctant-

ly they then agreed to the date of August 15. The point was made that the problem was so complicated and there was so much for the Board to do, that it would be almost physically impossible for it to move efficiently in that time. After further consideration, the date of August 18 was proposed and was acceptable. It was considered by some, including myself, that the concession of 1 day or 2 days more on the part of the House conferees would be of real value. I felt very strongly that every day was exceedingly vital, because there was so much to be done that even a day's grace would be very helpful. Then with considerable reluctance the House conferees finally agreed to move the date to August 20. That was as far as they would go, and that date was fixed only after the various stages to which I have just referred had been gone through.

Mr. DONNELL. I thank the Senator.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. CORDON. My inquiry goes to the question of whether if the conference report is adopted, the provision found on page 16, section 18, that all orders, price schedules, and so forth, in effect on the 30th day of June shall be deemed in effect under this extension of the act or reenactment of the act, or whether under the terms of that section, the several industry advisory committees which were appointed under the Price Control Act which expired on June 30 will be continued as advisory committees.

I ask the question because the provisions of section 11, beginning on page 12, limiting the authority of the Office of Price Control in the fixing of prices and providing certain standards, with the requirement that such standards shall be followed, also carries the provision that the only way that the action can be tested is by an application by an industry advisory committee. If there are no industry advisory committees there is no way by which to test it.

Mr. TAFT. I would suppose that the words "all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, in effect on June 30, shall be in effect in the same manner," and so forth, would be broad enough to cover the appointment of advisory committees. Such committees are appointed under section 2 (a) of the Price Control Act. It says that "the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price," and so forth, "appoint an industrial advisory committee or committees, consisting," and so forth.

I would think such appointments would be under an order of the Administrator and would be continued in effect under the provisions of section 18.

Mr. CORDON. I think the construction placed upon the act with reference to that matter is very important, because if industry advisory committees must be appointed again, and perhaps appointed with a different personnel, all the value that could come from the experience of the committees which have acted through the war period, will have been lost, and any action taken by the new committees

would be so delayed that any opportunity to test the action of OPA with reference to the standards would be delayed so long as to make the committees almost worthless.

Mr. TAFT. I agree with the Senator; and I think my opinion is correct.

Mr. President, I wish to conclude by saying that I have felt from the beginning that it was somewhat too soon to take off all controls. It is unfortunate that this law expired on the 1st of July. I think if it had expired at the end of the year, by that time we would have reached a point at which all serious danger would have been removed. I have been afraid, however, that if all controls were removed we might find speculative increases in goods with respect to which there are still serious shortages. The principle of that statement is illustrated by rents. In the case of rents everyone admits that rents would probably double if controls were completely removed. The same thing is true with respect to a certain number of commodities, in my opinion. I have always felt that there should be a renewal of controls. Unfortunately we were faced in the beginning, as we have always been faced, with the choice between no control at all and control by an organization which in my opinion is completely wrong in many applications of the principles of the Price Control Act, and principles seem to have been adopted which are not in the Price Control Act. I had that problem in connection with the last bill. I have it now. I do not like controls. I do not like the discretion given to the Price Administrator. I would prefer to have a better measure. But in the final analysis my own conclusion is that it would still be dangerous entirely to remove controls; and rather than have no bill at all, I intend to support the conference report.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1253. An act to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial obligations; and for other purposes; and

S. 2304. An act to provide for the training of officers for the naval service, and for other purposes.

EXTENSION OF PRICE CONTROL— CONFERENCE REPORT

The Senate resumed consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. WHERRY. Mr. President, anyone who has listened to the questions which have been asked since noon relative to the provisions of the conference report on the pending joint resolution, the faltering answers which have been given, and the conjecture as to what may happen, has ample evidence that the conference report is not clear. Members of

the Senate, and particularly the Senate conferees, do not know what provisions of this measure might be interpreted by a board in a manner which would be unfavorable to a decontrol program.

If there was any doubt in my mind as to whether I would oppose the conference report, it was entirely removed by the very pertinent questions asked by the distinguished Senator from Michigan [Mr. VANDENBERG]. In view of the history of OPA officials in the past and their stubborn resistance to constructive price legislation, I think it would be impossible for a thinking person to vote for the conference report. Every Senator knows that this measure is no better than the interpretation of a board, which in my opinion will be averse to a decontrol program, averse to a program which would bring about maximum production. The truth of that statement has been demonstrated during the past 4 years.

The questions propounded to the majority leader reveal a pitiful situation. There are to be three decontrol agencies and six pricing formulas. Senators have asked whether certain businesses or individuals would be included under the provisions of the joint resolution. We do not know. I expect to touch on that subject. But first I wish to stress that we do not know what is in this measure.

I remember the words of the distinguished Senator from Ohio [Mr. TAFT] when he spoke on this subject recently over the radio. He stated that this measure would give the Price Administrator more power than ever before. Yet in all this confusion—

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I will gladly yield when I am through with my speech. I asked the Senator to yield a while ago, but he was unable to do so.

Senators speak against this report, but say that they intend to vote for it. Under its terms we are granting more power to the OPA. We are granting power to a Board. If the experience of the future proves to be anything like the experience of the past, we shall be giving power to a Board which will be averse to free enterprise, a Board which will not decontrol, a Board which will not permit profit in industry. We shall destroy maximum production. That is the kind of a Board we shall have.

This morning I received a clipping from a New York newspaper. It reads in part as follows:

A Wall Street rumor that Chester Bowles may return to the revived OPA as a member of the Decontrol Board touched off heavy selling in the stock market today and prices cracked 1 to 5 points.

What would Senators think of him on this Board? Would they like it? Then add to that Board Leon Henderson, and down would go stock-market prices another 15 or 20 points. Then if a fellow-traveler were added to the Board, business in this country would have absolutely no confidence in such a Board. I am not saying that the President would appoint such men.

Mr. PEPPER rose.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Sena-

tor from Nebraska yield to the Senator from Florida?

Mr. WHERRY. I should like to complete my statement. After I have concluded I shall be glad to yield to any Senator.

The PRESIDING OFFICER. The Senator from Nebraska declines to yield at this time.

Mr. WHERRY. Mr. President, I call to the attention of Members of the Senate the fact that they are voting for something in the dark, something they do not understand, something which will have a terrific impact on the economy of this country. And we are to rely upon a Decontrol Board. I wish Senators could know the problems which have come before those of us who have worked with various complaint committees. There have been many orders which have been absolutely impracticable. Many have not been understandable. Since 1936 more than 107,000 orders have been issued requiring 90,000,000 words to write them. And yet we expect to do business under the orders and directives of a decontrol board which I, for one, feel will not be in full sympathy with maximum production, which is the American way.

OPA officials are here taking notes. I think they ought to take notes. They will have a headache when they get this measure. I do not know how they are going to interpret it.

Last night there was published in the Washington Evening Star a cartoon depicting a certain many-headed animal being presented at the White House.

The comment of the President was, "There ain't no such animal." This is a conglomeration of compromises put together in a so-called Price Control Act which is not a price control act at all.

Mr. President, we are not extending the old act. The old act is dead. Not very long ago the Senator from Texas [Mr. O'DANIEL] told us time and time again that the old act was dead. The OPA act is dead, and we are now writing a new price stabilization act for the coming year. The proposed new act contains many loopholes. It is a surrender of power to the bureaucrats to a greater extent than ever before, even in time of war. Our entire trust must be placed in a board, which I think will be no more friendly than the OPA has been in the past. So I am against it. If we are to have a new price-control act, we ought to have an act which will control every factor entering into prices. This measure does not do so. There is no control over wages. There is no control over half a dozen items which enter into the cost of acquisition. Yet in the closing hours of the session we say, "We have done the best we can. We have made every effort we could. We will pass this act and give it to the businessmen, the farmers, the producers, and the processors of the country under the theory that it will stop inflation."

If we are to write a new price stabilization act, let us write one which is clear. Let us write one which is capable of interpretation. Let us write one in which Congress sets down the principles, rather than delegating congressional authority to a board.

Time and time again I have heard Senators say that we should overthrow bureaucracy, and that we should not delegate congressional power to bureaus and boards; yet it is proposed by this measure to grant to a board greater power than was given to any similar agency during the war.

The conference report submitted to the Senate presents an unparalleled departure from the legislative processes which this honorable body has heretofore employed in the discharge of its duties. It is so serious a matter that it challenges the very foundations upon which this segment of the legislative branch of our Government rests.

If the Senate condones what is here presented and what the report plainly reveals as having been done, it may just as well permanently delegate its legislative authority to the conferees who have signed the report.

By its action the Senate authorized an appointed number of Senators to meet with Members of the House for the purpose of ironing out the differences between the legislative enactments of the Senate in the Price Control Extension Act and those of the House.

The conference report submitted to the Senate, however, plainly establishes that our conferees, instead, proceeded to substitute a new bill in place of the one which had so painstakingly been adopted by the Senate. In so doing, our conferees not only disregarded all the proper limits of their authority, but plainly frustrated the purpose and intentment of their appointment.

Thus, there emerges a new legislative technique—at least it is new to me—brought forth by an ill-conceived stratagem which can find sanction only in the philosophy that the end to be attained thereby justifies the means.

Such a philosophy, if approved as a rule of conduct for the guidance of this Senate, can only result in the subservience of the Senate to the will of the Executive, and the disruption and disorganization of the balance which our Government was intended to have. We simply will not have that any more. If there is any doubt about whether the Executive has had something to say about the writing of the conference report, if the conferees will tell the truth, and I think they will, it will be found that he had something to say about the writing of the report, and so did the OPA authorities, insofar as the conference committee was concerned.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. WHERRY. If the Senator will permit me, I prefer not to yield at this point. I think I should not do so, inasmuch as I have already refused to yield when other Senators have requested that I yield to them.

Mr. HAWKES. I shall take only a moment or two.

Mr. WHERRY. I appreciate that and I appreciate the enthusiasm of the Senator in regard to this matter and the contributions he has made; but I should like to complete my statement first, and then if the Senator will ask me to yield to him, I shall be glad to do so.

Mr. HAWKES. Very well.

Mr. WHERRY. Mr. President, our conferees did not proceed to iron out differences or to compromise on the matter of price control. In one fell swoop, they abjectly surrendered the principles which the Senate has time and again established by overwhelming affirmative votes.

I am speaking about the decontrol of meat and the decontrol of milk. The Senate voted overwhelmingly to decontrol them. The vote was 2 to 1 in favor of decontrolling them. Legislative integrity demanded that the distinguished majority leader, as well as our other conferees who were designated to represent the Senate, should have carried out the will and the mandate of the Senate which appointed them.

Our conferees, however, did not even report an impasse in their deliberations, and request further instructions from the Senate, before yielding the principles which this Senate established after countless hours of debate and effort. Neither did the Senate conferees disagree and demand that the conferees on the part of the House take the question of specific decontrols before the House and have the House vote upon them, as should have been done before the Senate conferees made any compromise, and came back with this report.

What I have just suggested is the usual procedure. The House had not acted upon that matter. So the conferees on the part of the Senate could have and should have stood their ground. They should have demanded that the conferees on the part of the House take back to the House the question of the specific decontrols as provided by the Senate, and have those matters voted upon by the House. But our conferees did not do that. They compromised before they reported to the Senate that there was a total disagreement, if there was. They now say, "Here is the conference report; take it."

In the report they have deleted the provisions for the decontrol of meat. That provision was adopted by the Senate by a vote of 49 to 26, almost 2 to 1, and the Senate also had voted for the decontrol of milk and dairy products by a vote of 51 to 27. But the conferees have omitted such provisions from the conference report. So all this talk about whether these commodities will be decontrolled or will be controlled is just so much poppycock, because, as I said, it is left to the Board. If we give the Board authority to control, it will control. There is no question about what the result will be.

Mr. President, reasonable men uninfluenced in their tasks could have readily resolved the differences between the Senate's views on this all-important legislation and those of the House, and reasonable minds—and if the conferees are not reasonable, they should resign—are always open to compromise on debatable issues; but I rise in protest against the manifest prostitution of the Senate's recorded position on the legislation which we all recognize as so vital to the sound economy of this Nation.

Let me quote what the Senator from Ohio [Mr. TAFT] said during the debate in the Senate, that he would do if he were made a conferee on the proposed legisla-

tion. The debate to which I now refer occurred when the distinguished Senator from New Hampshire and the distinguished Senator from Kentucky were attempting to resolve their differences about writing in a provision about grain. Someone suggested to the Senator that he accept a compromise and that the compromise be taken to conference and worked out there. The distinguished Senator from Ohio said this:

If I am one of the conferees I shall insist upon every provision the Senate places in the joint resolution. We are not going to rewrite the joint resolution in conference. In my opinion the conferees should stick by whatever the Senate places in it, unless the House is willing to vote on the measure and turn it down for some particular reason, because the House has taken no action. I dissent from the theory that we are going to put something in the joint resolution and then rewrite the whole measure in conference. (CONGRESSIONAL RECORD, June 12, 1946, p. 8958.)

That is exactly the position which I thought the distinguished Senator from Ohio would take. But the conference report comes back to us with those provisions deleted. Meat is not decontrolled; milk is not decontrolled. All this talk about letting the matter go to August 20, and then perhaps meat will be decontrolled and perhaps it will not be decontrolled is just so much window-dressing. No one can put his faith in a proposal such as this. No feeder will put his faith in it; no manufacturer will put his faith in it; and no one at all will put his faith in it. Such an arrangement will simply stymie production in the United States. Yet, in the face of this statement, which is more than an assurance; it is a positive representation made to the Senate upon the basis of which he was made a Senate conferee, the distinguished Senator from Ohio, has signed the report and now says he is going to vote for it, although I think it wrecks the decontrol provisions which were written into the joint resolution by the overwhelming vote of the Senate. Moreover, he agreed to delete from the joint resolution the specific exemptions which were written into it by the Senate, and by which he agreed to abide.

The technique which was employed by our colleagues on the other side of the aisle to subvert the will of the Senate is revealed in the remarks of the distinguished Senator from Connecticut [Mr. McMAHON].

It will be recalled that after he had turned to the majority leader and had said, "What about this," and after the majority leader replied, the Senator from Connecticut then said:

I may say to the Senator [Mr. BARKLEY] that I have decided to vote against the amendment because I am relying on the strong right arm of the Senator from Kentucky in the conference to do away with the meat decontrol amendment, and also the poultry decontrol amendment. Therefore I have decided, after considerable thought, to support the Senator's position so far as this amendment is concerned, and shall so vote. I believe that the seed which has been sown by the other side of the aisle will be harvested in November to their intense disappointment. (CONGRESSIONAL RECORD, June 10, 1946, p. 8702.)

Our distinguished majority leader performed exactly as some of our colleagues

relied upon him to do. His strong arm is plainly evident in the language of the conference report. Those who expected him to ignore the express will of this Senate in rewriting the bill the Senate passed were in no wise disappointed. Their expectations were overwhelmingly fulfilled.

It would also have been more appropriate if the will of this body had been carried out, instead of the will and wishes of advisers to the Chief Executive. We have reached the point in this legislation where the will and views of individuals associated with the executive branch of the Government have been superimposed upon the Senate, and that is more dangerous a condition and more threatening to the security of our Nation than the absence of any price-control law at all.

This man Porter and this man Bowles think they can write the legislation which will apply to 130,000,000 people, and now an attempt is being made to have the Congress give them the authority to do so, without attaching any strings at all. What else will the Senate mean if it approves the conference report? Do we wish to have the Executive govern us? If so, there is no need for price control and no need to take such a long time in discussing and debating it, if we are then to let some representative of the White House tell us what the White House will accept, and make us feel that we must follow that dictation, for fear the White House will veto the measure. Mr. President, such leadership as that is weak-kneed, spineless, and does not meet the need of the legislative authority and the legislative branch of Government in passing upon legislation.

Nevertheless, it is significant to note that the Senator from Kentucky [Mr. BARKLEY] got tobacco decontrolled; that the Senator from Maryland [Mr. RADCLIFFE] got poultry decontrolled; and that the Senator from Ohio [Mr. TAFT] did succeed in getting somebody's version of the Taft amendment written into the surrender. And the cotton boys were untouched. I refer to it as a surrender because it is not a compromise. The rest of us, however, I presume, are supposed to take what is left. And, mind you, Mr. President, we are supposed to take it in good grace. We are supposed to take the rest of it as the hindermost part of the whip.

Mr. President, this legislation is not a party question, nor are the charges I have made matters for party or partisan consideration. This legislation is as important to the economy of the Nation as the legislative process, which the conference report has swept away, is to the stability of our Government. I trust that the votes Senators will cast will reflect due appreciation of that fact.

Mr. President, the conference report is a complete abdication of legislative authority. I think there are other reasons why it should not be adopted. The conferees have rewritten section (e), eliminating specific exemptions of meat, poultry, poultry products, eggs, milk, dairy products, and butter. It reads as follows:

(e) (7) No maximum price and no regulation or order under this act or the Stabiliza-

tion Act of 1942, as amended, shall be applicable with respect to poultry or eggs or food or feed products processed or manufactured in whole or substantial part therefrom, or in the case of leaf tobacco or tobacco products processed or manufactured in whole or substantial part therefrom, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (e), but only under the standards prescribed in paragraph (8) (C) of this subsection (e).

(e) (8) (A) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable prior to August 21, 1946, with respect to livestock, milk, or food or feed products processed or manufactured in whole or substantial part from livestock or milk with respect to cottonseed or soybeans, or food or feed products processed or manufactured in whole or substantial part from cottonseed or soybeans; with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

Mr. President, it is significant that the conferees have provided for the decontrol of poultry, unless the Board decides to put poultry back under control. The conferees have taken affirmative action, and they have provided for the decontrol of poultry, and it is out of the picture unless the Decontrol Board puts it back under control.

But in paragraph (8) the situation is entirely different; the provision is stated in the reverse. The conferees say we are not going to provide for the decontrol of meat, and we are not going to provide for the decontrol of milk; no—unless there is a hearing and unless various other things are done and unless all of that is completed by August 20, and then the Decontrol Board decides whether controls should be left off. In one place the conference report provides affirmative action. In the other there is negative action—or, rather, a failure to act. There is a reversal of position as between the two amendments.

The Senate had overwhelmingly voted to exempt these and a group of inter-related farm commodities from price control. Indeed all commodities under (7) and (8) were exempted, and they did not come in that order, and that decision was not made by the Senate.

The vote to exempt meat, poultry, and eggs was 49 to 26.

The vote to exempt milk and dairy products was 51 to 27.

The conference report completely wrecked the decontrol of these commodities and reestablished controls in this area of our economy which is so vital to the stability of our entire economic structure.

Our colleague, the able and respected Senator from Wisconsin [Mr. LA FOLLETTE] made the point on page 8680 of the CONGRESSIONAL RECORD of July 10, that very serious potential repercussions would result from the decontrol of meats without the decontrol of milk.

The distinguished Senator from Vermont [Mr. AIKEN], and the distinguished senior and junior Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] pointed out on pages 8955, 8956, and 8957 of the CONGRESSIONAL RECORD of July 12, that economic necessity demanded simi-

lar treatment for meats, poultry, milk, and grain.

The distinguished Senator from Mississippi [Mr. EASTLAND] in his speech on July 10, at page 8960 of the CONGRESSIONAL RECORD, in arguing for the decontrol of cottonseed and soybeans as a necessary incident to the decontrol of meat, pointed out the poor logic and unsoundness of anything less than consistent action in this area of our economy, and no one disputed his statement.

Our conferees, however, not only deleted some of these categories of products but pulled out others for separate treatment, and, in so doing, they opened the door for further discriminatory treatment by giving discretionary authority to the executive branch to recontrol these fields.

The Members of the Senate have a right to know just why its mandate was ignored, and particularly why such inconsistent and illogical action was taken. What factors did the conferees consider? What wisdom did they have with which the body of the Senate had not been endowed? What facts had they which the Senate did not know? What arguments did they consider in reaching a decision to give separate treatment to meats as compared to poultry products?

To argue that tobacco, and poultry products, meats, milk, cottonseed and feed grains can be variously dealt with is to deny what even a farm boy knows.

Let me remind the Members of the Senate that the Decontrol Board which will be established by the Chief Executive under the provisions of this legislation, will, in fact, be a Recontrol Board to the precise extent that the Senate and the House grant the Board discretionary authority in any field. The members of the Board will be appointed by the President, and will be responsible to the President, not to the Congress.

I dare say that not even the distinguished majority leader would seriously take issue with me on the proposition that it is evident from the entire course of the President's action, and from his every public utterance, that the administration's policy is to retain control rather than to restore to the Nation the benefits of free enterprise as rapidly as that may be done consistent with safety.

So, I have no hesitancy in predicting that the Decontrol Board will, in fact, be a Recontrol Board in every sphere in which such action is authorized as a matter of discretion in the legislation under consideration. As it is proposed in the conference report, the Recontrol Board will even have authority beyond anything which has heretofore been envisioned by the Congress, and it will be authorized to employ a new technique which has never been authorized before.

It will have the power to regulate and control profits, and will have the power to decide and determine what is and what is not a reasonable profit in connection with any nonagricultural commodity.

This is the first time Congress has ever made such provision. Chester Bowles has placed cost absorption on the shoulders of industry—and I shall later put the figures in the RECORD—but we have never ratified it by Congressional authorization. However, under the pending meas-

ure, it would be done, for in subsection (t)—the so-called Wherry amendment which was not only modified but wrecked—there is laid down a provision whereby the Congress authorizes the practice of cost absorption. So the newly proposed act, about which we boast as being a price stabilization act, turns out not to be that at all, but to be a profit control act. One man out of 140,000,000 is to be allowed to determine what profit the rest of us shall receive. There can be no doubt about that. If history repeats itself, that is exactly what will happen during the coming months of the life of this so-called OPA extension act.

The new criterion and the unparalleled standard which the Decontrol Board will be authorized to employ, when it is functioning in its decontrol capacity, would authorize the Board to reimpose ceiling prices notwithstanding we might have an abundant oversupply of the commodity. To me, that is very silly.

Subsection (d) (3) of section 1 (A) provides as follows:

(3) Whenever, after a reasonable test period, it appears that the supply of a nonagricultural commodity which has been decontrolled is no longer consistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this act. The supply of a nonagricultural commodity shall be deemed inconsistent with the applicable decontrol standard in any case where the prices of the commodity have risen to and after a reasonable test period remain at unreasonable and inflationary levels.

What does that mean? It means that the question of supply is to be determined by the price and, still worse, it is to be such price as the Decontrol Board finds to be unreasonable. That is the standard. Yet, because of economic conditions or factors beyond our control, if a man puts cattle in the feed lot and his labor costs and the cost of corn increased to such an extent that, by all rules of equity and fairness, he should be allowed an increase in the price of his product comparable to the increased costs which he has been compelled to pay, and if he charges more than the June 30 price range, it can be determined that the price is unreasonable, and even though there were 20,000,000 surplus head of cattle in the United States, cattle could not be decontrolled. That was the interpretation placed on that section by one of the ablest attorneys I have ever known, a man in whom I have the utmost confidence. I assert that if that section is examined it will be seen that the interpretation I have placed upon it is a very reasonable one.

It will be noted that under this provision of the act, the supply is to be determined by the price, and still worse, it is to be such price as the Price Control Board finds to be unreasonable. It seems obvious that although we may have an abundance or oversupply of any commodity, if the cost of production or replacement, because of other economic forces, was greater than the previously

controlled price, it would readily be held to be unreasonable and automatically, under the bill, the commodity would be in short supply and subject to be recontrolled.

It should be perfectly evident to all Senators that not even the strong right arm of the distinguished majority leader authorized or penned this formula.

The one thing which manufacturers, processors, farmers, and other producers have asked of us is that we give them legislation which will enable them to deal with reasonable certainty in the realm of prices.

Mr. President, I wish to say to all Members of the Senate that recently I returned to my State, and the next day I went to my own home town. I asked some of those cattle feeders there what they wanted and what was bothering them. I asked, "Why do you not have cattle in the feed lots?" They replied, "Why, we don't know what the Government is going to do from one day to another. One day corn is \$1.02 a bushel. The next day it is \$1.32 a bushel, and the next day the price is still higher. How can we operate under those conditions?"

Mr. President, what is true with regard to the producer of meat is also true with regard to the producer of petroleum, the producer of milk, the processor, and the miner. The uncertainty of the effect of a measure such as this will not result in maximum production. It will stymie production because of the confusion which will be bound to result in interpreting the act.

The Senate proposed to restore to the Nation that reasonable certainty without which there can neither be progress nor stability. But, the conferees took it back. They have said and proposed that we too shall say to the producers of livestock, "you may have price control again on August 20; we do not know yet." They have said and they propose that we too say, "Poultry may not be under price control, but you, as a livestock producer may be controlled."

Mr. President, what do you think of that? Here is a man who buys feed, and who might engage in the production of milk, or who might engage in the production of beef. He is not controlled as to his poultry, but the man dealing in meat and the man who produces milk is controlled, in different areas, different segments of industry. It is proposed that we say, "However, probably, there will be no ceilings on dairy products or on feed; we do not know; but please go ahead and produce lots of hogs and beef cattle, because we must have production in order to lick inflation."

I will yield to any Senator who desires to speculate on the kind of answer such a statement would evoke from anyone concerned therewith.

The joint resolution in the form in which it has been brought back by the conferees is the worst possible threat to production. How can it be called sound in the face of unanimous opinion that volume production is the real answer to preventing run-away inflation? It will be worse in this respect than the monstrous control we have endured these

past 12 months. We voted in the Senate to correct this problem, and remove this uncertainty. We must now reaffirm that conviction by turning down the report.

So much has been said before this Senate in recent weeks and months about black markets that one hesitates to bring the subject up again. The almost certain rebirth of widespread black markets, however, is unavoidably a major consideration in this matter. If we want to properly name the joint resolution, it should be called the "black-market extension bill."

Extending the black market is exactly what it will do between now and August 20. That is what it should be named, because when we control meat we are going along hand in hand with the black-market operators. The testimony before the committee, of those who know, is that 80 percent of the meat handled up to June 30, 1946, went through the black market. That is understood. That is admitted. Yet what are we going back to with controls? We are not going back to legitimate competition. We are going back to dealing hand in hand with the black-market operators and are going to again promote wholesale disrespect for law.

Before June 30, black markets had grown so bad in meats and butter—and previously they had been as bad or worse in poultry and eggs—that the United States Department of Agriculture was forced to begin open reporting of black-market prices in order to cover the markets.

Just think of that. That is an open admission by a department of the Government of the black markets operating so extensively.

This type of situation is bad, Mr. President, bad for public morale, bad for honest producers, bad for honest manufacturers and processors. It breeds disrespect for Government. It is dangerous from a public health standpoint. It breeds violation of income-tax laws. Above all, it penalizes directly all the virtues in business and among the public, which we must encourage in order to move forward toward a better Nation and a better world.

How does a black-market operator react to regulations which are on one day, off the next, back on the next, and maybe off again the next, and with an ever-decreasing force to control black-market operators? If he is human—and he is—he will figure that the chances are even greater than before not only that the public will keep him in business and protect him, but that OPA will not get around to catch up with him before the regulation is off again.

Mr. President, in order to save time, because I do not intend to detain the Senate a minute longer than is necessary, I should like to have printed in the RECORD at this point a letter from the Grange, which I offered nearly 3 weeks ago. The Grange says we should decontrol meat because law enforcement has broken down and is completely out of control. They conclude the letter by saying that anything that is completely out of control should be decontrolled in order

to obtain respect for law on the part of citizens of the United States. I ask that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR WHERRY: You have asked in regard to the position of the National Grange on the present Senate bill extending the life of OPA. You pointed out that the Grange recommended that unless the OPA could give Congress adequate assurance that it would adjust its price-ceiling program so as to assure recognition of production costs, the agency should be abolished.

You ask if "in the light of the failure of OPA to give any such assurance with reference to meat, dairy, and poultry products" we would support abolishment of the agency, or would prefer to see its control over these particular products abolished.

Our position in regard to the extension of OPA has not changed. We believe some types of controls should be continued where, because of war-created or other abnormal shortages, production has not yet caught up with demand. Where production is being hindered by controls, we believe in an early and orderly removal of those controls.

The Grange had hoped that the Congress would develop a formula which would compel the OPA to comply with the spirit and the letter of the law and encourage maximum production as the most effective means of combating inflation. No such provision has been included in the measure as it passed the House or has been reported to the Senate.

We have sought assurances from the OPA of a price policy which would encourage rather than discourage production and have had no satisfactory assurances that such a policy would be followed. It is, therefore, our conclusion that Congress should remove from control those items:

1. Where control has hopelessly broken down or is retarding production.

2. Where the OPA has given no adequate assurance that it can restore workable controls.

3. Where the black markets resulting from such break-down are resulting in unsanitary conditions or loss of needed products.

4. Where producers are forced either to patronize black markets or go out of business.

In considering the amendment for decontrol of livestock, dairy, and poultry products, we must forego wishful thinking and be realistic. Conviction that controls on those items have hopelessly broken down should carry with it the courage to act decisively.

Sincerely yours,

ALBERT S. GOSS,
Master, the National Grange.

Mr. WHERRY. Mr. President, I realize that these remarks by me may be heard by someone who is encouraged thereby to go "black" on his operations. I hope, though, that it influences Senators as statesmen to reassert their considered judgment that we must wipe out these black markets once and for all by insuring decontrol, instead of practically legalizing them by this weak and uncertain approach.

With respect to decontrol and recontrol there are other questions we need to have answered for us here by the gentlemen who bring back this report for adoption. At what levels will price ceilings be put back on? What will be the timing of recontrol in the various channels of distribution? It takes 2 weeks or more to fill up these channels. A great host of small dealers in meat, grain, butter, eggs, and countless other commodities now own high-priced inventories. Are we to

slap roll-back prices on them and force them to go bankrupt in order to absorb the inventory losses? Sure, some of them made inventory profits, but we do not know who they were. Are we going to entertain claims against the Government for all the small cooperative grain elevators in the corn and wheat States?

And what about subsidies? Do we go back to milk and meat subsidies? If so, at what rates? If we do not plan to do so, why do we provide a billion dollars? Last year we, here in Congress, practically set the subsidy rates, and thereby removed a major uncertainty. This new proposal does neither. It does not get rid of subsidies, although definite proof is before us that subsidies are false economy, and do not encourage production.

Frankly, I do not know what this report calls for in respect to these matters. I do not think producers will know, and I do not think that processors and dealers will know. In my opinion there can only be one set of results from our enacting a measure such as this into law. It will be the most serious demoralization and disruption of our agricultural economy that any of us have ever known. Trade will be stagnated for an extended period.

Beginning immediately no one will purchase goods they cannot be sure of selling before August 20, for fear of the inventory losses. And after August 20, the same condition will prevail as long as the Board delays action. Even if the Board acts promptly, it will take another 2 to 3 weeks for the trade channels to fill up again. Thus, at a minimum we will have 4 to 6 weeks of stagnated trade in our leading agricultural products.

We have been so bombarded with scare propaganda on price rises in recent weeks that it is difficult for a layman to appraise properly just what has taken place. The broad outlines are clear, however. All dairy products have gone up to just about the amount of the subsidy.

That is a general statement, and of course there are exceptions to it in localities, there are exceptions to it in areas, but if the figures for the different areas throughout the United States are taken, and the price is averaged, it will be found that the general statement is approximately correct. I do not want to

say one thing in my remarks that is excessive, in pleading for votes against the conference report.

Butter, for example, was selling for 56 cents a pound on the wholesale markets at the end of June. The same wholesale price has settled off at around 69 cents during the last few days. This new price is less than the old price of 59 cents, plus the subsidy of slightly more than 14 cents a pound of butter.

Fluid milk prices in most markets have gone up by just about the amount of the subsidy, including, in some markets, the subsidies to milk distributors. The production reports on butter are more favorable than they have been for several months. Reports are coming in that butter is available in such markets as Boston and New York for the first time in many months.

At this point I should like to insert the very latest figures, given to me by the Milk Producers Cooperative Association, which summarize the price today compared with what it was the last week in June, and summarize the price by areas throughout the country. If Senators will read this it will prove to them that the general statement I made about milk and dairy products is approximately correct.

I ask unanimous consent that the statement be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EXHIBIT A

Butter prices—Chicago, grade A (92 score), wholesale

	Cents per pound
Price, June.....	56.5
Subsidy (butter equivalent of payments on butterfat sold by farmers):	
June.....	12.0
July.....	14.4
Total returns at wholesale:	
June (actual price plus subsidy)...	68.5
July (expected price plus subsidy).....	70.9
July (actual price, July 23).....	65.75
Source: USDA Market News Service. Subsidy calculations based on announcement of Office of Economic Stabilization.	

EXHIBIT B

Prices of milk to producers and consumers, June and July, 1946

Market	Prices paid to producers—June	Subsidy rates		Total returns to producers			Retail prices (delivered to homes)	
		June	July	June (actual price plus subsidy)	July (expected price plus subsidy)	July (actual price)	June	July
	Cents per quart	Cents per quart	Cents per quart	Cents per quart	Cents per quart	Cents per quart	Cents per quart	Cents per quart
Akron, Ohio.....	8.2	1	1.4	9.2	9.6	9.5	16.0	18.0
Chicago, Ill.....	7.8	1	1.4	8.8	9.2	9.4-9.7	18.0	20.5
Dayton, Ohio.....	8.4	1	1.4	9.4	9.8	9.5	16.0	18.0
Duluth-Superior, Minn.-Wis.	8.2	1	1.4	9.2	9.6	10.0	14.5	16.5
Indianapolis, Ind.....	7.4	1	1.4	8.4	8.8	8.6	15.0	17.0
Louisville, Ky.....	8.2	1	1.4	9.2	9.6	9.4	17.0	19.0
Omaha, Nebr.....	8.0	1	1.4	9.0	9.4	9.4	12.0	15.0
Sioux City, Iowa.....	8.0	1	1.4	9.0	9.4	9.4	14.5	16.0
St. Paul, Minn.....	7.3	1	1.4	8.3	8.7	9.2	(2)	(2)

¹ Estimated, as minimum prices are not determined until after the close of the month by formulas.

² Not available.

Source: Reports of producers marketing associations.

Mr. WHERRY. Mr. President, as I came into the Senate Chamber this afternoon an editorial was handed to me which came from the Daily Mirror of New York City. I shall not take the time to read it, but it compares the OPA range of prices the last week in June, it gives the black-market range of prices on the same date, it gives yesterday's prices, and it gives the prices on butter, sirloin steak, round steak, rib roast, chuck roast, veal rib chops, and a list of others.

Let us turn to the first item, butter. In New York City the last week in June butter cost 67 cents a pound, if it could be procured. That was the fiction price. It could not be obtained. The black-market price was 95 cents. Yesterday's price of butter in New York City—and it could be gotten—was 74 cents, and today's price in New York City is 73 cents.

The market report has just come in. Butter is pouring into the market every day. Every housewife in America knows that for the first time in 6 months the counters are filled with butter, and if the controls remain off the price of butter will go much lower than the black-market price or the OPA price that was in vogue the last week in June.

The meat story should be familiar to all of us by now. I hope it is. I hope I have not worn out my welcome this afternoon. I have done my level best to bring this subject to the attention of the Senate on numerous occasions. I come from the Middle West. Eighty-five percent of the people of Nebraska are farmers. I know that percentage does not hold true in all States; but a large percentage of the people in the Middle West are farmers. They produce meat, they produce milk, they produce the staff of life. There is no group on earth that works longer hours or harder and receives less money for its labor than the group composed of the farmers. Do not ever forget that. If anyone does not believe so let him go out and operate a farm. He will get up earlier in the morning than most of our Government workers do and stay on the job much later at night. He will spend less time in bed and on holidays than do Government workers. I make that statement conservatively. People in the city of Washington have little conception of what a farmer has to go through in the raising of a crop. The Senator from Wisconsin [Mr. WILEY] placed in the RECORD several days ago a statement to the effect that the man who produces milk, who enables it to be brought to everyone's door, who feeds and milks his cows, receives for all his work about 53 cents an hour. Yet we complain about the price of milk.

Mr. President, I am interested in meat, because I am interested in those who produce meat. I am also interested in the consumer, because if we can obtain maximum production we can lick inflation, and we can get meat for the consumer cheaper than he will ever get it under OPA. Oh, if I could simply get that fact over to the country. If it could be proclaimed over the radio. But what do we get? We get poisoned propaganda that prices are skyrocketing, that they have risen to new heights today in the central markets. That is all fear propaganda.

We have fear peddlers everywhere preaching the scare propaganda.

Mr. President, a few moments ago I said I would not read an editorial which I have from the New York Mirror. I shall now ask the Senator's indulgence and patience, and shall read the editorial, because it fits right in with the matter I have just discussed.

The Phony Prophets.

That is the headline in an editorial in the New York Daily Mirror of Wednesday, July 24, 1946.

The American people belied the prophets of doom after President Truman vetoed the first revised OPA bill.

Prices did not spiral. They went up, with few exceptions, only in the amount of subsidy removed.

How I wish the people would understand that when subsidies are taken off, naturally the price must go up the amount represented by the subsidy. That is all there is to that. If we have had to pay more temporarily for our meat or butter, it was because we have had to absorb the subsidy which was formerly paid by the Government. But the price did not rise. What happened was that the subsidy was withheld and the consumers paid it directly; that is all.

Prices did not spiral. They went up, with few exceptions, only in the amount of the subsidy removed.

The American people did not go on an "inflation spree."

The American storekeeper did not gouge his neighbors and customers.

Buyer and seller behaved with admirable self-restraint. They gave the laugh to Red-inspired "buyers' strikes."

The angry warnings of the President, the breast beating of Chester Bowles, the screaming of the Communists and their stooges seemed pretty silly.

This is the Daily Mirror of New York City.

The Truman administration's score for wrong guesses remained perfect. Remember when it guessed there would be 8,000,000 to 10,000,000 unemployed?

Do Senators remember that? We had to pass an unemployment bill immediately, right away, without any delay.

CEILING WAS JUST A WORD

Food prices during the past year were not the published ceiling prices.

By one device or another, the black markets prevailed.

Without exception, food prices in New York yesterday were under black-market prices. They were higher than the ceiling price, which was always unrealistic.

I call them "fiction prices."

Ceilings, particularly as regards meats, produced a nominal price for an unobtainable commodity.

But goods were plentiful in the black market.

If to the ceiling is added the subsidy, which was paid out of taxes and is realistically part of the price, the cost of foods, particularly meats and dairy products, was always higher than the OPA ceiling price.

Yesterday, these were typical prices, as published in the New York Sun's box score.

Butter 67 cents under OPA the last week in June. The price in the black market was 95 cents. Yesterday's price 74 cents. Today's price 73 cents.

Sirloin steak. The consumers can get sirloin steak now for the first time in 6 months. Sirloin steak. OPA price—and this is the fiction price, when consumers could not even get a mouthful of meat—the range was 40 to 46 cents. The black market price—oh, meat could be gotten on the black market all right—the price range was 95 cents to \$1.25. Yesterday's prices 63 cents. I am quoting from the Daily Mirror of New York of today. Sirloin steak, today's price 55 cents a pound.

Round steak, 40 cents to 46 cents under the OPA for the last week in June. The black market price \$1. Yesterday's price 49 cents. Today's price 49 cents.

Rib roast. The OPA price the last week in June, 32 cents to 36 cents. The black market price 90 cents to \$1.10. Yesterday's price 45 cents. Today's price 45 cents.

Chuck roast. OPA price, 27 cents to 32 cents. The black market price range 85 cents to \$1. Yesterday's price 38 cents. Today's price 45 cents.

Ground beef—Senators know what that is. I have had a great deal of it in the last 6 months or a year. OPA price 28 cents. Black market price 75 cents to \$1. Yesterday's price 35 cents. Today's price 40 cents.

Veal loin chops: OPA price 41 cents—when it could be obtained. Black market price 85 cents to 95 cents. Yesterday's price 55 cents. Today's price 60 cents.

Veal rib chops. OPA price the last week in June, 33 cents to 43 cents. Black market price 80 cents to 95 cents. Yesterday's price 47 cents. Today's price 52 cents.

This is from the editorial published in today's issue of the New York Mirror. I continue to read the editorial:

What was the reason?

No matter how one looks at it, this does not represent a spiral inflation. It does not represent gouging. It does represent self-restraint.

I agree with that statement thoroughly.

It also proves that two economic laws were functioning truly: The law of supply and demand and the law of diminishing returns.

OPA "liberal" and communistic—

This is printed in bold type.

OPA, "liberal" and Communist propaganda was designed to frighten the American people into believing that a run-away inflation was actually occurring.

This was a lie!

I am quoting, Senators, understand.

Government spending and Government borrowing plus increased wages without increased production are the causes of such inflation as is present in our economy today.

Passing of the "denatured" OPA bill won't cure it.

What it will do is secure some 34,000 OPA bureaucrats in their jobs for another year—to continue the process of Government spending and Government borrowing!

That is the end of the editorial from the Daily Mirror of New York, today's issue.

Mr. President, as I have said, the meat story should be familiar to all of us by now. Receipts of cattle and hogs at the principal markets have been unusually

heavy and a full variety of the different cuts of meat have become available to consumers in the eastern markets during the last week or so for the first time in several months.

Everyone is quite agreed on that. Every time one passes a grocery store he sees great big streamers saying "Beef today." "Veal today." Everyone has to agree that today we have meat on the meat counters. That was not the case under OPA.

Naturally there has been some indecision and preliminary uncertainty with respect to prices. No one knew just how much meat consumers would buy or what prices they would be willing to pay after 2 or 3 years of subsidized prices and wholly inadequate supplies.

There is evidence in the last day or two that prices are settling off with trade becoming more normal every day. It is not at all unreasonable that there has been some degree of price fluctuation during this trial period of free markets. I admit that. I believe that the facts will show that livestock producers, the meat industry, and the public have demonstrated a statesmanlike attitude during these last 3 weeks and have demonstrated that the black markets can be licked quickly and effectively and that honest people can buy honest grades of meat at honest prices if livestock and meats are left free of control. I think the last 3 weeks have demonstrated the correctness of that statement. Senators must remember that we have a wheat crop of 1,100,000,000 bushels. The Senator from Kansas [Mr. REED] is my authority for that figure which he has received from the Department of Agriculture.

Mr. REED. One billion one hundred and forty-five million bushels.

Mr. WHERRY. One billion one hundred and forty-five million bushels, which is the second largest wheat crop in the history of the United States. The estimate released a few days ago by the Department of Agriculture is that the corn crop will reach a figure in excess of 3,000,000,000 bushels.

Mr. REED. Three billion four hundred and seventy-five million bushels.

Mr. WHERRY. I thank the Senator. I do not want to make an extravagant statement. It is 3,000,000,000—

Mr. REED. Three billion four hundred and seventy-five million bushels.

Mr. WHERRY. I did not want to give any New Deal figures to the Senate. Three billion and how many million?

Mr. REED. Three billion four hundred and seventy-five million bushels.

Mr. WHERRY. Three billion four hundred and seventy-five million bushels of corn. That I believe is the second largest corn crop in the history of the United States.

Mr. REED. It is the largest crop we have ever had.

Mr. WHERRY. My statement is subject to change without notice. I will revise my statement and say it is the largest corn crop we have had.

Mr. REED. And one and one-half billion bushels of oats.

Mr. WHERRY. One and one-half billion bushels of oats. God has blessed us.

We have tremendous crops of wheat, corn, and oats, and we have feed. There is no shortage of feed. We have 10,000,000 more cattle than the average for the 10-year prewar period. Is it not a pity that we cannot feed them the grain and give the people the meat? That is all there is to it. If the Senator from Ohio means what he says—and I am sure he does—there is no excuse in the world for not decontrolling meat. The surplus is here; the feed is here. Why hang on to controls? Why control meat? Why cause black markets? I appeal to Senators. That is not the American way. Let us get rid of controls when there is a surplus. Let us use the feed. It is here. There is nothing to worry about. If we will do as we have been doing for the past 3 weeks, my prediction is that there will be a wholesale—and wholesale means more than retail; it means unusual liquidation of cattle. The counters will be full of meat. That will be the quickest way to get prices down to meet the family income. The best feature about it is that we shall have meat, and we did not have it under OPA.

On the whole, it is highly significant to me that the editorial policies of most of the newspapers have shown a gradual shift in the past few days toward a feeling that these important food products should be left free of control, not as an experiment, but because producers and distributors have proved during the past 22 days that they can and will operate in the public interest if they are free from the entangling and burdensome restrictions and uncertainties imposed by subsidies and price ceilings.

I believe that is a statement that meets with general acceptance. There is no doubt about it. We have demonstrated it. It has been my position since I became a Member of the United States Senate that under the Price Stabilization Act the way to combat inflation was to get maximum production. It has been demonstrated in the past 3 weeks that we can get maximum production when the price impediments which have been imposed under the Bowles price-fixing program are removed. Certainly if we can retain all the advantages in the way of greater production with less Government expenditures for subsidies and more adequate supplies, which we have had in the past 3 weeks, then we should continue without price ceilings and give the farmers, the processors, and the American distributors their chance under a free enterprise system to help combat inflationary forces. That is the tried and true American way.

To keep faith with agriculture and agricultural industry the Senate must voice its firm disapproval of the hodge-podge of uncertainty which is presented to us today in the form of a conference surrender—not a compromise, but a surrender. It settles none of the problems which have been of such serious concern to us, and leaves those most affected by price regulations in a greater state of uncertainty than they have been at any time since OPA was started. I sincerely hope that those who joined with me in voting for the exemption amendments

on the floor of the Senate 2 weeks ago will stand by their convictions and refuse to approve the conference report.

With respect to the so-called Wherry amendment, it is not pride of authorship which prompts me again to call it to the attention of the Senate. I ask that the simplicity of the Wherry amendment be considered in contrast to the magnificent compendium of averages proposed in the conference report, and which take the place of subsection (t) of the original Wherry amendment.

The legislation which this body authorized used the calendar or fiscal year 1940 as the base period for the structure of the prices authorized for the next 12 months. One of the reasons for selecting 1940 as the base period was that in that prewar year, when competition existed at all levels of our economy, discounts and mark-ups prevailing at every level were competitively established, and it was generally recognized that prewar discounts and prewar mark-ups, having been competitively established, were not inflationary and would not be inflationary in the future. But the conferees propose that we abandon that standard in a tremendous realm of price control and that we sanction the very evil which was practiced when Chester Bowles brought the Nation to the economic chaos with which we are now obliged to cope.

I referred to cost absorption in my opening remarks. If Senators believe that cost absorption is not advocated by the conferees, I assure them that they are misled and beguiled.

Paragraph (t) provides:

In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow the average current cost of acquisition of any commodity, plus such average percentage discount or mark-up as was in effect on March 31, 1946.

With respect to Chester Bowles' cost absorption theory I quote from exhibit D. Exhibit D shows that there were 514 price increases from December 31, 1945, to and including June 30, 1946. Of those 514 increases, 302 had to be completely absorbed by the little retailer, the corner grocer, the baker, and candlestick maker throughout the country. There were also partial absorptions of price increases. What do we do when we establish the date of March 31, 1946? While it is true that we permit current costs, yet we freeze the mark-ups, with those absorptions in them. That means, for example, that furniture dealers who get their furniture from Michigan and other Northern States or from Southern States must absorb 12 percent of the cost. That is frozen in the 1946 price list as of March 31. If we had gone back to 1940, it would not have been frozen.

For the first time the Congress is authorizing the cost absorption program and policies of Chester Bowles, which we have never previously authorized.

I ask unanimous consent to have printed in the RECORD at this point the table known as exhibit D.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Summary of cost absorption required by
OPA of retailers*

GENERAL PRICE INCREASES PERMITTED MANUFACTURERS	
1. Apr. 22, 1942-Dec. 31, 1945-----	268
2. Jan. 1-Apr. 17, 1946-----	115
3. Apr. 18-June 30, 1946-----	131
Total-----	514
TOTAL ABSORPTION OF INCREASES REQUIRED OF RETAILERS	
1. Apr. 22, 1942-Dec. 31, 1945-----	201
2. Jan. 1-Apr. 17, 1946-----	70
3. Apr. 18-June 30, 1946-----	31
Total-----	302
INSTANCES WHERE COST ABSORPTION WAS NOT REQUIRED	
1. Apr. 22, 1942-Dec. 31, 1945-----	14
2. Jan. 1-Apr. 17, 1946-----	5
3. Apr. 18-June 30, 1946-----	31
Total-----	50
PASS THROUGH TO CONSUMER OF DOLLAR INCREASES IN PURCHASE COST	
1. Apr. 22, 1942-Dec. 31, 1945-----	36
2. Jan. 1-Apr. 17, 1946-----	16
3. Apr. 18-June 30, 1946-----	52
Total-----	104
PASS THROUGH TO CONSUMER OF LESS- THAN-DOLLAR INCREASES IN PUR- CHASE COST	
1. Apr. 22, 1942-Dec. 31, 1945-----	17
2. Jan. 1-Apr. 17, 1946-----	21
3. Apr. 18-June 30, 1946-----	17
Total-----	55
JULY 11, 1946.	

Mr. WHERRY. To approve the provision as it is now written in the joint resolution would be to perpetuate the evils of cost absorption and give legislative sanction to the continued disruption of the distributor segments of our economy. When Senators go to various towns and meet the retailers they will find that Congress will be blamed for authorizing for the first time the cost absorption policy throughout the whole United States.

As I previously stated, this is not a price stabilization act. It is a profit control act; and the Congress never intended it to be such. We shall again be confronted with the spectacle of all business being obliged and compelled to find means to evade and avoid the application of such folly. This will further tend to destroy respect for law, which is the foundation of a sound American society.

If I may return to the prices of meat as of today, certain information has just been handed to me. This information comes from a compilation of figures from the American Meat Institute and the Department of Agriculture. This table shows today's prices on all classes of beef on the hoof, the feeder realization, and the percentage change as compared with the last week of June 1946, under OPA price control.

With respect to choice steers, from 1,100 to 1,300 pounds, the average price on July 22 at the 12 principal markets was \$23.50 a hundred. Those cattle furnish the best meat that can be obtained. We are not getting many of them today. Senators will have to take my word for that. According to the figures of the Department of Agriculture, for last year

the percentage of prime cattle sold in the market was 14 percent. Bear that in mind. Those are the double A cattle, the choice steers, the prices of which hit the top. Those are the prices about which the fear peddlers are talking. The Department of Agriculture did not have the figures for this year. That class of cattle, constituting only 14 percent of all the cattle sold in the 12 principal central markets last year, the double A prime grade, brought an average price on July 22 at the 12 principal markets of \$23.50 a hundred. The feeder received a subsidy of 50 cents a hundred. The processor got a subsidy of \$4.50, but the feeder received only 50 cents. So if we subtract 50 cents from the price of \$23.50 on July 22, the feeder realized \$23 on the average, for 14 percent of all cattle sold, if the percentages are the same as for last year.

How does that compare with the price for the last week in June? The average price during the last week in June for that class of cattle which, as we know, were not on the market, was \$17.80. In percentage, that represents an increase of 29 percent, on only 14 percent of all the cattle sold.

The next grade is what are called good to choice. Last year this class constituted 31 percent of all the cattle sold. That is where we get the good steaks which we take home. On Monday, July 22, the average price for that 31 percent of cattle sold on the 12 markets was \$19. The subsidy was 50 cents, so the feeder realized \$18.50.

What was the average price under the Bowles system?—\$17.12. So actually there is an increase of only 8 percent on 31 percent of the meat sold on the meat counters of the country. That is an 8-percent increase. It is only eight-tenths of 1 cent a pound. That is all the increase there has been in the price received by the men who have fed the cattle. I wish the Senate to understand that.

Medium grade cattle constitute 27 percent of the total number of cattle graded. They are classed as the commercial grade. That is where we get the lower-grade cuts of beef, and that grade constitutes 27 percent of the total supply that is graded.

On Monday, July 22, at the 12 principal markets the price was \$15.25 a hundred. The subsidy was 50 cents. The feeder realized \$14.75. Now let us con-

sider what the average price under Bowles was. It was \$15.12. So this price is a decrease in the amount of 2 percent for 27 percent of the meat that is sold on the hoof today.

What about the Common grade of meat—and many of us are eating Common-grade meat today, regardless of whether we know it. On Monday the price was \$13. There is no subsidy on that class of meat, so the feeder realized \$13. The average price under Bowles was \$13.78. So there has been a decrease of 5 percent from the Bowles price, as compared to the price on last Monday. Some persons have said that the prices on meat are skyrocketing, but there is a comparison of the prices on all grades of beef.

Mr. WILEY. And 80 percent of it was sold on the black market, under the Bowles system.

Mr. WHERRY. I thank the Senator from Wisconsin for that comment, which is entirely correct. Of course, I am comparing present prices with the theoretical price under Bowles. But if we wish to make the actual comparison, as the Daily Mirror did, we should compare present prices with the black-market prices, because last year 80 percent of the meat was sold in the black market. So we must remember that when we consider the conference report.

Now let us look at the market report. I have given the prices. I think this is a revelation. It shows that we now have what we were waiting for. This is the proof. Here is what is being done without price control. If I remember correctly, one of the fine statements made by the senior Senator from Michigan [Mr. VANDENBERG] before he went to Paris was—although I cannot quote his exact words—"Let us have an experiment on meat." I think he used the words "trial and error," and he said, "Let us see whether we can decontrol meat." So the Senate voted to do that. But now, under the conference report, we shall not have a chance to do it. It is obvious that under the provisions of the conference report, no one will be able to justify the removal of controls from meat. Under the report, it will not be possible to do that.

Mr. President, I submit the comparative statement of prices, and ask that it be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Prices of beef steers, heifers, cows at Chicago

[Dollars per hundredweight]

	Monday, July 22	Feeder subsidy	Feeder realization	Percent change	Average of range week ending June 29
Steers:					
Choice, 1,100 to 1,300 pounds-----	\$23.50	\$0.50	\$23.00	+29	\$17.80
Good, 900 to 1,100 pounds-----	19.00	.50	18.50	+8	17.12
Medium, 700 to 1,100 pounds-----	15.25	.50	14.75	-2	15.12
Common, 700 to 1,100 pounds-----	13.00	-----	13.00	-5	13.68
Heifers:					
Choice, 600 to 800 pounds-----	20.75	.50	20.25	+16	17.40
Medium, 500 to 900 pounds-----	14.25	.50	13.75	-6	14.62
Cows:					
Good-----	14.25	-----	14.25	-3	14.71
Cutter and common-----	9.63	-----	9.63	-7	10.30
Canner-----	7.75	-----	7.75	+3	7.50

Mr. President, what about the receipts of meat? I read from the market report. It shows that—

Salable receipts at 12 markets for first 3 weeks of July on cattle amounted to 771,000 head, compared with 411,000 head, last 3 weeks in June, and 552,000 in 1945.

What do you think of that, Mr. President? Yet we are told that meat must be controlled. We should give these people a chance to liquidate.

The report also states:

Calf receipts at 12 markets, same periods, as follows: 154,000—

For the 3 weeks just ended, as compared with 103,000 under Bowles, and 109,000 a year ago.

Mr. President, rather than read the remainder of the report, I submit the entire report for printing in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Salable receipts at 12 markets for first 3 weeks of July on cattle amounted to 771,000 head compared with 411,000 head last 3 weeks in June and 552,000 in 1945. In other words, cattle receipts for first 3 weeks in July up 88 percent from last 3 weeks in June, and up 40 percent for comparable 3 weeks a year ago. Calf receipts at 12 markets, same periods, as follows: 154,000, 103,000, 109,000. In other words, calf receipts up 50 percent from last 3 weeks in June and up 42 percent from comparable 3 weeks in July year ago. Sheep receipts for same periods, 385,000, 664,000, 414,000, off 42 percent from last 3 weeks in June (marketings were encouraged by the ending of subsidies) and off 7 percent from comparable 3 weeks in July. Hog receipts first 3 weeks in July amounted to 930,000, compared with 313,000 last 3 weeks in June and 554,000 for comparable 3 weeks in July a year ago. In other words, hog receipts were up nearly 3 times, 197 percent from last 3 weeks in June, and up double from year ago, 105 percent.

Market supplies of cattle and hogs this morning continued to exceed substantially supplies for the comparable period of a year ago. Larger livestock receipts mean increased meat production, and increased meat production has resulted in the largest supply of meat available for consumers since last January.

Salable receipts of livestock for the first 3 weeks in July have shown tremendous increases over the last 3 weeks in June and the comparable 3 weeks in July 1945. During both latter periods impractical and unenforceable price-control regulations were in effect.

Cattle receipts at 12 markets for the first 3 weeks in July totaled 771,000 head, up 83 percent from the last 3 weeks in June and up 40 percent from the comparable 3 weeks in July 1945. Hog receipts for the first 3 weeks in July were at record levels for this time of the year, being nearly 3 times the receipts for the last 3 weeks in June, when OPA controls were still in effect, and more than twice the receipts received at 12 markets for the comparable 3 weeks in 1945.

Reinstatement of controls on livestock and meat may have the effect not only of drying up immediately these large supplies of livestock coming to market but also discourage any future production thus jeopardizing the meat situation for the spring and summer of 1947 especially in view of the indicated all-time record corn crop of 3,500,000,000 bushels.

A report on the livestock market this morning is summarized as follows:

Cattle receipts at 12 important markets today amounted to 53,400 head, off 39 percent from the large receipts of a week ago but still 28 percent larger than a year ago.

Receipts for the first three days at 12 markets amounted to 192,600 head, up 12 percent from the same three weeks of a year ago.

The Chicago office of the USDA comments on the cattle market yesterday as follows:

"The actual top on steers mounted to within 35 cents of the recent all-time record peak, as one load of Choice to Prime 1,177 pounds. Iowa fed offerings commanded \$26. These cattle stood head and shoulders above the average run of Choice steers as indicated by the fact that the next highest price was \$25.35. Most Good and Choice fed steers and yearlings brought \$21.50, including 1,025 pounds. Yearlings up to the latter price. Common and Medium native and southwest straight grass steers in loadlots cleared unevenly from \$12.50 to \$17.50, including Medium 950 pounds. Missouri offerings at \$17 on which the best bid was \$16.25 at the recent low point. Quite a few loads of steers fed grain on grass and grading Medium to Good found outlet from \$18.50 to \$21."

The cattle market opened active at Chicago this morning up 25 to 50 cents when compared with yesterday's close. Early top was reported to be \$26.25 per hundredweight for only 7 loads of fancy cattle, which compares with an extreme top yesterday of \$26 brought by one load of Choice to Prime fed steers and with the top of \$26.35 paid last Wednesday. A large number of cattle are still selling at prices well below last week's peak, in spite of sharply decreased receipts.

Receipts of calves at 12 markets this morning amounted to 12,400 head, off 19 percent from the comparable receipts a week ago but were 49 percent larger than receipts for the comparable Wednesday a year ago. Calf receipts for the first three days of this week were up 47 percent for the comparable three days a year ago.

Sheep and lamb receipts at 12 markets of 40,200 head, were off 22 percent from the large receipts on Wednesday a week ago but were 6 percent larger than the receipts for the comparable day a year ago. For the first three days of this week sheep and lamb receipts were off 11 percent from a week ago but were up 11 percent from the comparable 3 days a year ago.

Receipts of hogs at 12 markets this morning amounted to 48,300 head, which were 34 percent less than receipts for the large receipts on Wednesday a week ago but were 65 percent larger than receipts for the comparable Wednesday a year ago. For the first 3 days hog receipts have amounted to 128,800 head, up 23 percent from the comparable 3 days a year ago.

Hog prices at the Chicago market this morning were reported steady 25 to 50 cents higher than yesterday's close, with a top of \$22 per hundredweight. Sows, which now comprise one-third, or 40 percent of the supply, are also selling at 25 to 50 cents higher prices, with a top of \$20 per hundredweight.

The effect of liberal increased supplies of all meats and consumer resistance to the extremely high prices charged by black-market operators is shown by the fact that upper limit quotations on the key New York market have dropped from \$13 to \$15 per hundredweight. The Government wholesale meat trade report today indicates that some in-between sales of beef on the New York market are under \$1 to \$2 per hundredweight lower than yesterday. They report the supply of beef and veal very liberal, pork around normal but more than sufficient. Demand is very slow and prices for beef and veal and pork are weak.

Mr. WHERRY. Now let us consider the situation as to hogs, which supply fats. The poor people need fats. They must have fats as a part of their diet, and they must get fats either from butter or bacon. Such meat is a necessary part

of their diet. We find that for the 3 weeks just ended, hog receipts amounted to 930,000 head, as compared with 313,000 head for the last 3 weeks of June, and as compared with 554,000 head for the corresponding 3 weeks a year ago. So three times as many hogs come in during the last 3 weeks as came in during the same 3 weeks in the month of June, and yet we are told that meat must be controlled.

I think the figures I have submitted are positive evidence that meat should be decontrolled. I think we should not wait. I think we should decontrol it now. I think the feeders of hogs and the feeders of cattle should have assurance from the Senate that it will not keep them in a state of confusion and in all this uncertainty.

Mr. ROBERTSON. And remember that 80 percent was sold in the black market.

Mr. WHERRY. Yes.

Mr. President, as the distinguished Senator from Wyoming said a short time ago, in Wyoming 50 percent of the lambs are contracted for now. So those people are not going to take the chance. There is plenty of grain and there is plenty of livestock. All that it is necessary to do is to bring them together, and meat will be produced. But the producers are not able to do that because of the impediment of price control.

Mr. President, I should like to have printed at this point in the RECORD further memoranda relative to the livestock and meat situation.

There being no objection, the memoranda were ordered to be printed in the RECORD, as follows:

MEMORANDUM FURNISHED BY AMERICAN MEAT INSTITUTE TO MEMBERS OF CONGRESS, JULY 12, 1946, REGARDING CURRENT LIVESTOCK AND MEAT SITUATION

Market receipts of cattle at twelve of the principal livestock markets of the country today amounted to 17,300 head, which is about one-third smaller than the unusually large marketings of last Friday, but more than double cattle receipts for the corresponding Friday a year ago.

A summary of the week, however, shows the total cattle receipts at the same 12 markets this week amounted to 277,000 head, which is 87 percent larger than receipts at those markets for a week earlier, 36 percent larger than the market supply in the corresponding week a year earlier, and almost twice as large as receipts in those markets in the same period of the last week in June, which was the last week of the life of OPA.

Even more striking is a comparison of the market supply for the 2-week period since price controls were eliminated on livestock and meats. Total cattle receipts at the 12 markets for the first 2 weeks of July, which amounted to 425,000 head, was 53 percent larger than receipts at those markets in the last 2 weeks of June, and 19 percent larger than those in the corresponding period in July last year.

The Chicago cattle market opened this morning slightly higher than prevailing yesterday. The top this morning was \$23.25 per hundredweight, for only 11 head. This compares with a top of \$23 for the two previous days. However, since this price is paid for only an exceptionally small proportion of the total cattle market supply (frequently less than 5 loads out of a 100 or more loads), such exceptional sales should not be considered as the real trend or level of the prevailing cattle market because such quotations really are misleading as a measure of the cattle market. Most of the cattle sell

substantially below this so-called premium level and cattle prices for most classes and grades at the end of this week were only slightly higher than prices prevailing at the end of the preceding week.

The behavior of the cattle market during the past 2 weeks is about what would be expected in view of the abnormal and dislocated conditions that naturally prevailed after 4 years of artificial and restrictive controls imposed by OPA, and the substantially curtailed market supply of cattle available in recent weeks, especially in the last 2 weeks of June.

As soon as more normal conditions are restored and the distributive pipe lines have filled up to reasonable normal levels, an orderly supply of livestock may be expected to be shipped to market and prices will become adjusted to such normal and natural circumstances. This situation, however, cannot be expected to happen instantly. It must take some time.

The hog market yesterday reflected increased available supplies, especially for the heavier-weight hogs and sows. Although the market top yesterday at Chicago was \$17.75, most of the heavier weights of barrows and gilts declined about 25 cents per hundredweight and sows were from 25 to 50 cents lower yesterday than in the preceding day. Approximately one-third of the hog marketings at this time of the year consist of sows. Some hogs were carried over unsold yesterday at Chicago.

The hog market today opened stronger with an early extreme top of \$18.25, but the more typical price was around \$18. The top price at the beginning of last week was \$18.50.

Receipts of hogs today at the 12 markets, amounted to 44,000 head, were substantially smaller than receipts earlier this week, although larger than the market offerings on Friday a year ago.

Total marketings of hogs for the current week at the 12 markets and also at a number of important market centers in Iowa and Minnesota were 52 percent larger than the market supply in the same period a week ago and 79 percent larger than the market supply in the corresponding period a year ago. Total hog marketings for the first 2 weeks of July at 12 market centers have amounted to 615,000 head, which is double the market supply in the corresponding 2-week period a year ago, and almost four times as large as marketings in the last 2 weeks of June—the period immediately preceding the demise of OPA.

A spot check of retail meat prices as advertised this week end in various cities of the country shows meat being offered at prices well below old black-market prices. For example, consumers in Chicago were being offered rib roasts at 41 cents, sirloin steaks at 49 cents, round steaks at 48 cents, and roasts at 35 cents and pork loin roasts at from 35 to 37 cents. In St. Louis, top grade rib roasts were being offered at 50 cents. In Kansas City, hamburger was offered at 20½ cents. With lamb legs and rib lamb chops at 39 cents and lamb stew at 25 cents. Philadelphia had AA sirloin steak (bone-in) at 49 cents, ham at 43 cents, and spring leg of lamb at 45 cents.

A forecast of the probable supply of meat for civilian consumption this summer, which was made recently by the United States Department of Agriculture, may be of interest at this time. This review of the prospective meat situation reads as follows:

"Supplies of meat for civilian consumption this summer will continue quite short of consumer demand at present ceiling prices. If the general level of food prices were to rise only moderately and controls on meat prices were removed, retail meat prices might be expected to rise sharply for a few weeks. By fall, when production increases seasonally, retail prices would be likely to settle to an average perhaps 15 to 20 percent

above present ceilings. If subsidies to processors are removed, a substantial increase in retail prices would be necessary before any increase would be received by farmers. With tight feed supplies, meat production would not increase much from the rate expected under present prices."

MEMORANDUM FURNISHED BY AMERICAN MEAT INSTITUTE TO MEMBERS OF CONGRESS, JULY 19, 1946, REGARDING CURRENT LIVESTOCK AND MEAT SITUATION

The free play of the natural law of supply and demand, unincumbered by unnecessary and restrictive price control regulations, resulted in sharp price declines in yesterday's livestock market, with the United States Department of Agriculture reporting a "general cattle trade collapse" and hog prices dropping \$3 per live hundredweight from the previous day's top "in one of the sharpest price reactions in trade history."

The beneficial effect of increased meat supplies, coupled with strong consumer resistance to former black-market prices, is shown by the fact that upper limit beef price quotations in New York City, as reported by the United States Department of Agriculture, yesterday dropped \$11 per hundredweight from the peak for good grade beef carcasses. The United States Department of Agriculture reports, in an early flash from the New York market today, that another \$4 to \$6 drop in wholesaler dressed beef quotations has occurred from yesterday's close.

A spot check of retail meat prices, as advertised in newspapers in different parts of the country yesterday, indicates prices to consumers were well below old black-market prices. For example, consumers in Chicago were being offered ground beef at 35 cents a pound, beef short ribs at 25 cents, beef pot roast at 39 cents, bacon at 50 cents, and sirloin steak at 49 cents. In Cleveland, pork loins were offered at 36 cents and beef rib roast at 40 cents. In St. Louis, newspaper advertisements listed rolled beef sirloin at 45 cents, lamb stew at 20 cents, rib roasts at 42 cents, ground beef at 39 cents, and whole or half hams at 49 cents. In Cincinnati, legs of lamb were advertised at 41 cents, sirloin steak at 47 cents, and hamburger at 33 cents.

A report on the livestock market this morning is summarized as follows: Cattle receipts at 12 markets today continued large for Friday, amounting to 24,900 head, up 53 percent from a week ago and more than three times the receipts for the same day a year ago. Total cattle supplies at these markets for the week were 25 percent larger than receipts a week ago and 77 percent larger than for the same period a year ago. This is the third consecutive week that cattle marketings have exceeded those of the preceding week. This confirms the contention made right along that, with price controls removed from livestock and markets, meat would become increasingly available for American consumers.

The extent of the collapse of cattle prices yesterday is summarized by the United States Department of Agriculture for the Chicago market as follows: "Today's general trade collapsed. Even the top on Choice steers dropped to \$25.65, with the practical top at \$25. However, none of these steers had the beef yielding merits of the several loads at \$26.25 and \$26.35 paid Wednesday. Nevertheless, it was a 50 cents to \$1 lower market on Choice yearlings and weighty steers; with Common, Medium, and low-Good kinds not only \$1 to \$1.50 lower but many Medium to low-Good grassy and short-fed light kinds without bids at the close. Much of the same condition featured Medium and low-Good heifers; the supply that sold standing \$1 or more lower, with even strictly Good and Choice kinds 75 cents to \$1 down. Average Choice heifers sold at \$21.50 and high Choice mixed offerings stopped at \$24. Strictly Good

beef cows and heiferettes lost 50 cents on top of crumbling declines on Wednesday. But this proved to be a relatively small loss compared with the \$1 to \$1.50 break on cutters and common and Medium beef cows, a liberal proportion of which were without bids at the close. Most beef bulls dragged at \$2 lower prices than last week, with sausage offerings \$1.50 lower."

Cattle prices this morning again dropped sharply with most grades quoted from 50 cents to \$1 lower than the substantially reduced prices prevailing yesterday. The early top on cattle in Chicago this morning was \$24, which was off \$2.35 from the extreme top paid here for a few head Wednesday. The Government also reports this morning that indications are that there may be a considerable hold-over of cattle today unless further price reductions occur in the market.

Receipts of calves and sheep and lambs also were unusually large this week. Calf receipts were 18 percent larger than last week and 73 percent above a year ago.

Hog receipts at 12 markets today amounted to 34,000 head, which is a reduction from last Friday but is 75 percent larger than Friday a year ago. The large salable supply of hogs today, however, will be augmented with a heavy carry-over from yesterday at a number of markets. At Chicago, 4,000 hogs were reported carried over from yesterday. Total hog receipts for the week were slightly smaller than the large receipts of the preceding week but were more than double the supply for the corresponding week a year ago.

Hog prices at Chicago this morning opened slow, steady with yesterday's close, with sows selling about 50 cents lower. The top today at Chicago was \$19.65 which compares with the top earlier this week of \$22 per live hundredweight. The toboggan in hog prices yesterday was described by the United States Department of Agriculture as follows: "In one of the sharpest price reactions in trade history, hog values were off \$1.50 to \$2.50 today. The comparison is with the general trading Wednesday. Even at the decline buyers refused to take all offerings and at the close approximately 4,000 hogs remained unsold carrying bids at least \$2.50 or more lower. The practical top of the market dropped to \$20 after having reached \$22 on Wednesday, similar weight hogs had to sell late in the day at \$19.

The following table compares the price of the upper limit quotations for each grade of dressed beef at New York City on Thursday, July 18, with upper limit quotations for Friday, July 5 (largely representing prices charged by former black-market operators).

Beef carcass prices New York City
(Dollars per hundredweight, dressed)

	Thursday, July 18, 1946	Friday, July 5, 1946	Decrease
Choice.....	\$46	\$55	—\$9
Good.....	44	55	—11
Common.....	42	50	—8
Utility.....	38	40	—2

Upper limit quotations reported by the United States Department of Agriculture.

These upper limit quotations, of course, do not reflect the selling price of the bulk of sales, but they do illustrate strikingly the extent of the slash of the black-market prices since price control was removed in the major meat consuming center of the country.

The experience of the first 3 weeks without price controls on livestock and meats is convincing proof that a tremendous increase in supplies of meat is being made available on a much more equitable basis and at reasonable, competitive prices which are lower than black-market prices prevailing prior to the elimination of price controls. The industry is well on its way to returning to stable conditions notwithstanding the fact

that it had to recover from "famine conditions" prevailing at the time controls were eliminated at the beginning of the month. Meat distribution pipe lines, which were almost exhausted in the closing days of price controls, had to be replenished. This takes time, but it is being done.

MEMORANDUM FURNISHED BY AMERICAN MEAT INSTITUTE TO MEMBERS OF CONGRESS, JULY 22, 1946, REGARDING CURRENT LIVESTOCK AND MEAT SITUATION

The market supply of both cattle and hogs today was somewhat less than for the comparable day a week ago and prices were steady to moderately higher. However, marketings of cattle were still substantially larger than at this time a year ago and reports from large meat consuming centers indicate that the meat distribution pipe lines are being filled up and that there will be even more meat available for consumers this week than there has been in many, many weeks.

Cattle receipts at 12 midwestern markets today amounted to 92,300 head, which is about 8 percent less than the receipts at these markets on Monday a week ago but 17 percent larger than the corresponding Monday a year ago.

The Chicago office of the United States Department of Agriculture comments on the sharp drop in cattle prices on Thursday and Friday of last week as follows: "Augmented by a liberal carry-over from Thursday, burdensome supplies of common, medium, and good grassy and short-fed steers and yearlings sold 50 cents to \$1 lower than Thursday, when buyers could be found, but many loads and lots carried bids which suggested an even greater decline. The break, meanwhile, has operated to throw increased numbers of yearlings and typical two-way cattle with weight into feeder channels, but at prices \$3 to \$4 or more lower than packers were paying for the same kind of cattle early this week. * * * Insofar as cows are concerned, a large part of the sharp advance scored over the last 2½ weeks has been all but wiped out in the last 2½ days. Many distress sales today were as much as \$1 lower than Thursday with the general market on all grades \$1.50 to \$3 under the recent high time. Cannery and cutters bulked at \$7.25 to \$10 and most common to low-good beef cows went at \$10.50 to \$14.50."

The cattle market opened at Chicago this morning at steady levels for steers and yearlings with cows 25 cents to 50 cents lower than at the close of last week. The early top was reported to be \$24.75 per hundredweight for a few loads of fancy steers which compares with \$24.50 last Friday and with the extreme top reached early last week of \$26.35. Only a relatively small number of cattle sell for these so-called top prices. Most cattle sell at much lower levels.

Receipts of calves at 12 markets this morning amounted to 18,600 head, up 4 percent from a week ago and up 59 percent from the same day a year ago.

Sheep and lamb receipts at 12 markets also were up today, amounting to 60,200 head, 8 percent larger than a week ago and up 59 percent from a year ago.

Receipts of hogs at 12 markets this morning amounted to 34,200, off 29 percent from the market supply of last Monday and 12 percent less than receipts for the comparable Monday a year ago.

The early top on the hog market at Chicago this morning was \$20.50, about \$1 per hundredweight higher than the practical top of \$19.50 paid last Friday, but still \$1.50 per hundredweight below the top of \$22 reached the early part of last week.

In a review of the general market conditions for the week, the United States Department of Agriculture report for western dressed meats at New York indicated since July 1 outside prices (upper limit quotations) have dropped as follows: "Beef, \$5 to

\$11 with good and choice grades off most; commercial to choice vealers, \$6 to \$11 with good and choice off most; commercial to choice lamb, \$3 to \$5 with good and choice off most; pork loins, \$5 to \$7; Boston butts, \$4."

The Department of Agriculture concludes that "since the bulk of dressed meats have been selling at near or outside price ranges for many months," average prices are considerably lower in spite of the price advances shown by the established meat packers. On Friday, last week, the Department of Agriculture reported another drop in the upper limit quotations for beef carcasses at New York City so that Choice beef by the end of last week had dropped \$13 per hundredweight and Good beef \$15 per hundredweight from the peak reported on July 5 (and representing the black-market price, at which the Department of Agriculture states, that the bulk of dressed meats has been selling for many months). This indicates that former black-market price levels are being effectively destroyed under free economy by increased volume and by resistance on the part of consumers.

The situation at the week end proves that, without OPA controls, beef cattle, on which prices had been run up well above ceilings by black-market operators, are seeking reasonable levels, both in prices and supply. It also proves, as the meat industry has contended all along, that without the protection of artificial price barriers set up by OPA regulations, black-market operators cannot compete with the established meat industry and its know-how in economical and efficient operation.

Average weekly livestock prices at Chicago

Item	July 23d	Percent change	June 29th
Hogs:			
Barrows and gilts:			
Good Choice, 180-200	\$21.38	+43	\$14.85
Good Choice, 220-240	21.25	+43	14.85
Good Choice, 270-300	20.95	+41	14.85
Cows:			
Good Choice, 300-330	19.63	+39	14.10
Good Choice, 360-400	19.70	+38	14.10
Good, 450-550	19.38	+37	14.10
Sheep and lambs:			
Spring lambs, Good			
Choice	19.50	+21	16.15
Ewes: Good Choice	9.00	+5	8.54

¹ Plus price subsidy, \$2, equals \$18.15.

² Plus price subsidy, \$1, equals \$9.54.

Mr. WHERRY. Mr. President, I am sorry to have taken this much time. I believe what I have said from the bottom of my heart. I want to help this administration. I want to help get meat on the table. I want to help the consumers. There is no politics insofar as my position is concerned. There is no selfishness about it. It has been demonstrated that the situation will be taken care of if the administration will give us just half a chance.

Now let us consider section 18. Remember all the questions that have been asked about it. We recall the question which was asked by the Senator from New Hampshire [Mr. TOBEY], who ended his statement by saying that there will be a lot of headaches as the result of section 18. The question, "What will happen under section 18?" is one of the \$64 questions involved in this matter.

We find that under section 18, the conferees are asking the Senate of the United States, as I think, to bankrupt every grain elevator in the United States.

Mr. President, please note what subsection (2) of section 18 provides. I read it:

All regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended—

Except what, Mr. President?

(except regulations or requirements under section 2 (e) thereof relating to meat, flour or coffee)—

Those three—

and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this act had been enacted on June 30, 1945.

Mr. President, all the Senators who asked questions about what will happen to the men who have grain under contract just as soon as this conference report is signed by the President should realize that it will make it mandatory that the Price Stabilizer put into effect the prices which were in effect on the last day of June, under the OPA, and that those who have the grain must sell it at the legal price or else they will be black-market operators. Those persons will not have a chance to clean up. They will have to sell the grain and take a loss, if they are to keep within the law. That is exactly what the conference report will require. It cannot be interpreted in any other way.

Mr. President, in the face of the intent of the Senate, why should the Senate go back to the price levels as of June 30, 1946, and the prices which were in effect on that day? The consequences of the enforcement of the provisions of section 18 are so plain that no Senator requires any elaboration upon it.

Insofar as the provisions of the proposed legislation require the Price Administrator to make any change in any maximum price, such provisions "shall not be deemed to require such change to be made before the thirtieth day following the date of enactment of this act."

In other words, after the conference report is agreed to, no one can apply to the Price Administrator for a change of price, for the conference report will preclude the Administrator from doing anything about it before 30 days have elapsed. So the elevator men will not be able to obtain relief; they will simply have to sell at the OPA price which was in effect on the last day of June.

What difference will a contract make? Of course, if someone has a contract which he will agree to maintain, and if title to the grain has passed and if the man who is subject to the contract will pay for the grain in accordance with the provisions of the contract, that will be all very well. But every grain operator and every small elevator man who bought grain at present prices will be compelled by the conference report, if it is enacted, to charge the legal price which was in effect on the last day of June 1946. Do not let anyone tell you otherwise, Mr. President. That is exactly what that provision of the conference report means. But our conferees would, nevertheless, have the Senate of the United States roll back all prices to those which prevailed on June 30, 1946, except those relating to meat, flour, or coffee, as soon as the President signs this measure.

It is contended by the attorneys for OPA that section 2 (e) of the original

Price Stabilization Act of 1942, as amended, relating to meat, flour, or coffee, is put in this measure so that the subsidies will not be paid after June 30, 1946, and that that is the intention of this provision. But I ask anyone in the Senate Chamber whether this measure can be interpreted differently than the way I have interpreted it, namely, that the minute this bill is signed it will require that all segments of industry so affected shall immediately comply with the regulations and the orders and the price ceilings that were in effect on June 30, 1946.

If anyone has a different interpretation, he should be quite sure about it. It was said, "Oh, they can authorize them to change it." But the conference report authorizes the imposition of every order and price structure and regulation which was in effect from the last day of June. It authorizes the imposition of a great many regulations that I do not even know about. I shall not give my approval. The OPA shall not have my consent to restore every regulation which it previously had in effect on the 30th of June. I do not know what other Senators will vote for, but what I have just stated is what will be done under authority of section 18 of the conference report. If that is not the intent, subsection 2 (e), relating to meat, flour, or coffee should be stricken from the bill, and the Price Administrator should issue new regulations and new orders that comply with section 3 of subsection (e) of the proposed measure, so as to provide that controls shall not be established on meat or milk or products related thereto until after August 20.

Our conferees would, nevertheless, have the Senate of the United States, as soon as the President signs the bill, roll back all prices to those which prevailed on June 30, 1946, except those relating to meat, flour, and coffee.

There is another reason why subdivision (2) of section 18 ought not to be incorporated into the law.

I am advised that the language of the subdivision may conceivably validate every OPA regulation which was then in effect, not as an OPA regulation but as a regulation which has all the effect of congressional enactment or congressional approval.

Certainly the Senate has no such intention. It has never scrutinized all of such regulations nor does it have any intention of so doing.

In conclusion, I wish to ask the Senate if we are ever to get back to a free economy. Are we ever to get back? If so, when will we have decontrol? Will we have it next year? There will be another emergency just like the one asserted today. There will be the same inflationary forces at work then that are at work now, whether the Congress passes the present OPA measure or not. And whether they are at work then will not make any difference. The fact that we have had OPA off our backs for 3 weeks does not in any sense counteract the inflationary forces which are at work today. The Nation now faces a \$285,000,000,000 debt, greater than we ever thought we could possibly carry. So

long as the Government continues to depreciate the value of the dollar inflationary forces will be at work.

Mr. President, why do we want to be permanently regimented? Do we want to have shackled upon our backs a permanent price-control program? Is America afraid to go back to her traditional free-enterprise system? Have we not demonstrated that, without these price impediments, we can obtain maximum production? Has it not been admitted by all of us that if we obtain maximum production it will be the best way, under a price-control program, to fight inflation?

Mr. President, I conclude with the reading of an editorial. I am not sure from what newspaper it has come, but I should like to give the newspaper credit for it, and would if I knew its name. The editorial reads as follows:

THE AGONY GOES ON

A Senate-House conference committee has decided to prolong the OPA agony for another year, with remedies to ease the pain of its final demise.

The measure is expected to get congressional approval this week.

And I suppose it will receive it.

President Truman is reported ready to sign it, reluctantly, as the best bill he can get.

Paul Porter, the harried head of OPA, says a lot of damage has been done. He says many of the eggs in the price-control basket have been smashed. He says some of the eggs that have just rolled out of the basket can be recovered.

Mr. President, if it is such a poor Price Control Act why do the OPA officials want it? Why do they want it if it will not do them any good?

It is unfortunate that OPA is getting a new lease on life in any form.

OPA died a Lazarus-like death June 30, and since then the good sense of American housewives, the good sense of American businessmen, and the forces of a free, competitive economy have operated—as they always do—to check and balance the markets.

What a wonderful statement. The truth of it has been proven by the figures which I have already read into the RECORD.

I read the remainder of the editorial:

Butter went down 4 cents a pound last week. Poultry fell off 6 cents. The black market virtually went out of business.

Organized buyers' strikes were a flop, according to a survey of the New York Times. But the shopping skill of housewives, coupled with the end of hoarding, was extremely effective.

The housewife learned during the war how to turn to substitutes. She varied her family's fare with many beneficial, low-priced items. Her experience is a valuable family asset today and a potent weapon against inflation.

Now the new OPA bill again will substitute artificial controls for the natural laws of supply and demand over much of the Nation's economy.

And we will probably have to go through the agony all over again next year—if, indeed, the habit of control-by-Washington has not by that time become permanently entrenched.

One thing, and one alone, as we see it, can cut the Nation free of all these controls: Production.

Production such as we haven't had since war's end.

Production which has been held back by strikes, greed, selfishness, ceilings.

Sometimes one wonders what America is afraid of. America, the giant, lagging along like a pygmy.

America worrying first about deflation and then inflation.

America talking about depression when there is enough pent-up demand in our own country alone to keep every factory chimney spouting smoke for 5 years.

America, afraid of its own strength.

America, still toying with the phony idea of an economy of scarcity.

America, suspicious of its mighty productive capacity—when every other country in the world, including Communist Russia, is striving and straining to emulate our production methods.

We hold in our hands the cure for all our economic ills—and we turn supinely to Washington.

We cry for help. We cry for protection. And how the bureaucrats love it. How it puffs up their sense of self-importance.

We need a new definition of freedom from fear. Freedom from fear of ourselves.

We need a reaffirmation of faith and self-reliance. They were the virtues of our forefathers. They made this country great. Their opposites, fear and dependence, can drag this country down.

Mr. President, I thank the Senate for the time which I have been allowed to consume. If any Member of the Senate wishes to ask me a question, I shall be glad to try and answer it.

Mr. VANDENBERG. Mr. President, I should like to say to the Senator that I think he has presented a very masterful argument in behalf of the viewpoint which he sustains.

I wish to ask a question for my own information. The Senator has presented figures respecting meat production and meat prices. Under the terms of the pending conference report, if a decontrol board honestly and sympathetically administered the proposal, would it not be the Senator's conclusion that there would be no renewal of meat controls?

Mr. WHERRY. First, Mr. President, I wish to say to the distinguished Senator from Michigan that I appreciate his complimentary remarks.

In answer to his question, I may say that I believe the machinery necessary to control the situation is at hand. If the statute is honestly administered by the OPA, and if it views the situation in the light in which it has been presented, it will be compelled, under the formula, to decontrol meat.

Mr. VANDENBERG. Permanently?

Mr. WHERRY. Permanently, or within a 30-day period.

Mr. VANDENBERG. I thank the Senator.

Mr. WHERRY. Mr. President, again I wish to say that the distinguished Senator from Michigan has placed his finger on the crucial question. He did it this afternoon before any other Senator did it. I should like to have the honor of having done so myself.

If we judge the future by the past, we will not obtain the kind of an administration as that to which the Senator and I have referred. My theory is that the pending measure is a control measure, and control will be in effect for another year. One more reason for it being

in effect is that the OPA wants to pay subsidies because—well, I shall not say why. Senators can figure it out for themselves.

Mr. REED. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. REED. I wish to say that I subscribe to the statement which was made by the able Senator from Michigan with respect to the magnificent and effective address which the Senator from Nebraska has made this afternoon. He has covered the subject completely and thoroughly.

I wish to inquire of the Senator from Nebraska whether in his opinion, with a three and a half billion bushel corn crop almost assured, with a winter wheat crop almost harvested, with a spring wheat crop now being harvested, the aggregate of which will be 1,140,000,000 or 1,150,000,000 bushels, and with a billion and a half bushels of oats available for human food, animal feed, and for famine relief, there is the remotest need for the restoration of controls on grain?

Mr. WHERRY. Mr. President, I say to the distinguished Senator from Kansas that I wish to thank him also for his remarks.

In my opinion, there is not the slightest need for control of grain. I was informed recently by one of the top flight men in agriculture that if the controls had been left off, and the buying countries were compelled to buy on the world's markets instead of under ceiling prices, the only thing we would have to worry about in this country would be the placing of floors under grain instead of establishing ceiling prices by the 15th day of September.

Mr. REED. I agree with what the Senator from Michigan has said. I agreed in a conversation with the Senator from Maryland, who is on his feet, and who is one of the conferees who has done at least a conscientious job, that if the Decontrol Board provided for by the pending measure honestly administers it in good faith, it will probably be the best way by which to handle the problem.

I think the Senator from Nebraska will agree with that statement. But I ask him if there is a single page in the history of the administration of the OPA, and in any utterance of Paul Porter or Chester Bowles, which would give Congress any right to assume for a moment that the pending measure, if enacted into law, would be administered in good faith.

Mr. WHERRY. Mr. President, in answering the distinguished Senator's question, I answer from my own experience. There is not. I just do not have faith.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield. If the distinguished Senator from Ohio were on the floor, I should be glad to yield to him. I am through with my statement, and I should be glad to give him an opportunity to ask me any question he desired to ask.

Mr. RADCLIFFE. We will all agree, of course, that we cannot draft any legislation which can be guaranteed to prevent malfeasance or nonfeasance. When the provisions in regard to the Decontrol Board were under considera-

tion and were being drafted, we tried to throw every reasonable safeguard around the plan we could think of. We tried to insist that the Board should be an independent Board. We endeavored to make such provision as would set forth unmistakably that principle, and, as far as possible for us to do in a legislative way, to lay down that requirement.

Mr. WHERRY. I do not know whether the Senator was on the floor when I made my opening remarks, but I shall always believe to my dying day that when the conferees on the part of the Senate went into the conference, after the experience we had had with the first bill, and after the instructions given the Senate conferees, after the remarks made by the distinguished Senator from Ohio that the Senate conferees could not have kept meat decontrolled and milk decontrolled, the Senate conferees should have come back to the Senate for further instructions. Furthermore, they should have demanded from the House conferees, because they had reached an impasse, that they take those two provisions back and have a vote in the House. If our conferees had done that and had then come back and said, it could not be effected, that it was not possible, that the House conferees voted the Senate conferees down, I would say our conferees had some justification for bringing this compromise measure back to the Senate. But they did not do that.

Mr. RADCLIFFE. Of course, some things you can do in conference and some things you cannot do. We did suggest to the House conferees again and again that they go back and get an expression of opinion from the House, but we were not in a position to demand that course of them.

Mr. WHERRY. I fail to understand. If I had been on a conference committee and found that I could not retain decontrols, after the Senate had put them in by a vote of 2 to 1, and after it was the second bill we had sent to them, I would have come back for further instructions, or resigned as a conferee.

Mr. RADCLIFFE. Mr. President, all those were, theoretically speaking, possible actions, and it may be that a return for fresh instructions would have been desirable.

Mr. WHERRY. That is my opinion.

Mr. RADCLIFFE. We could not, however, demand that the House conferees go back, but we did insist on our own views. Then, when this Board was being set up by law, we did try to see to it that, so far as possible, it would be an independent board, that the members would be men of high standing, men of independence, men who would be more or less independent, not connected with the operations in the past of the OPA.

Furthermore—and I think this is a matter of considerable importance—we also tried to see to it that these men would have nothing else to do. If members of such a board, or any other kind of administrators, have general administrative duties, and in addition have powers to decontrol or recontrol, it can readily be seen they have a combination of duties which causes some to be slighted or deferred in order of precedence. So we did see to it that these men would

be charged with one thing only, that is powers of decontrol and recontrol.

Let me ask the Senator from Nebraska, would the Senator have preferred that there be a roll-back of meat as of the date of the passage of the bill? I assume not.

Mr. WHERRY. I should like to answer the Senator's question. I am not in favor of a roll-back; I am not in favor of control of meat at all. I think that is what the Senate conferees should have stood for, because the Senate voted 49 to 26, nearly 2 to 1, that meat should be decontrolled.

Mr. RADCLIFFE. I voted that way on the floor, and I voted that way in conference as long as I had a chance of success.

Mr. WHERRY. The Senator should have kept on voting that way.

Mr. RADCLIFFE. It was not possible to put over the Senate's position, and we reached the stage when we decided on a disagreement. Possibly the thing to have done was to disagree and come back for instructions. But from my experience as a conferee, when a bill comes back because of disagreement, no one knows what will happen, and therefore, whether our judgment was wise or not in seeking a return is a matter of risky speculation. We thought it our duty to try to get the best bill we could in conference. I happened to make the suggestion in regard to the 30 days, which later was changed to August 20, because that provided something of a turnaround period. Then, when we set up our standards, as we did, these standards are so definite and so far-reaching that no recontrol or decontrol board could put the controls back, if the conditions were met, unless they violated their oath of office. I think there is a considerable amount of weight to be attached to the fact the program laid down for the new board is a very specific one, going about as far as a legislation could outline.

Mr. WHERRY. I have a high regard for the Senator from Maryland. He did a good job, especially for poultry. The vote to decontrol meat in the Senate was 49 to 26. I will always believe that if the House conferees would not accept that, the Senate conferees should have had the House vote on it. If they had voted on it, they might have concurred, and it would not have been a subject for compromise. It was so far reaching, and we had had so much debate about it, there was such an understanding about it the last time we passed the bill, I think it was the duty of the conferees to come back to the Senate, if they could not get it agreed to, and ask for further instructions, whether they should compromise or stand by the specific decontrols adopted in the Senate.

Mr. President, I think I am absolutely sound in that position. If that is not to be done, what is the use debating a bill for 30 days, what is the use of taking the time of the Senate, if the conferees are going into the conference and wreck the bill?

Mr. TAFT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Ohio?

Mr. WHERRY. I yield.

Mr. TAFT. Is the Senator aware of the fact that when we passed the joint resolution we provided for reconrol?

Mr. WHERRY. I will answer the Senator from Ohio in this way: When we passed the joint resolution, there was a specific exemption for decontrolling meat and poultry, there was a specific exemption for decontrolling milk and butter.

Mr. TAFT. Let me read to the Senator what the bill contained when it passed the Senate:

Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this act.

When we had the bill before us on the floor of the Senate, I asked the distinguished Senator from Kentucky whether in his opinion that applied to commodities which were specifically decontrolled, and he replied that in this opinion it did. The Senator from Nebraska was here. No one raised any question as to that interpretation of the Senator from Kentucky. So that as a matter of fact the bill has always provided for reconrol, and the modifications made in the conference committee were not in fact substantial changes in the effect of the joint resolution as it was passed by the Senate.

Mr. WHERRY. I wish to say, just as forcefully but as courteously as I can, that the bill does not provide that; and I have just as much right to my interpretation as the distinguished Senator from Ohio has to his. There are two specific decontrols in the joint resolution, just as specific as decontrolling cotton is in it. I guarantee cotton will never be controlled. If the conferees had stood fast by the meat decontrol amendment and the milk decontrol amendment, regardless of how the Senator may interpret it, they would never reconrol it under the joint resolution as it passed the Senate. That is my answer.

Mr. TAFT. The Senator says so, but it is not so.

Mr. WHERRY. I have just as much right to my opinion as the Senator has to his.

Mr. TAFT. It says "agricultural commodity with respect to which maximum prices have been removed"—

Mr. WHERRY. Yes; the Senator is trying to read in from another section.

Mr. TAFT. "Is in short supply, and that the"—

Mr. WHERRY. Mr. President, I have the floor. The Senator is trying to read into the decontrol of meat, which was passed in the Senate by a 2 to 1 vote, a section which is outside of the specific decontrols. I do not care whether the Senator from Ohio or the distinguished majority leader interpret it that way or not. Every man who voted to decontrol milk and butter understood and voted to decontrol milk and butter, and Senators voted to decontrol meat, and the Senator from Ohio knows it, and so does the

Senator from Kentucky. I think it is a very poor defense now to back up a conference report by saying that there are not decontrols in the measure, regardless of the fact that we put them in.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield. But I want to say another thing. We thought when we decontrolled meat we had it decontrolled. We did not have it decontrolled at all, according to the Senator from Ohio.

Mr. TAFT. Will the Senator yield?

Mr. WHERRY. What are they going to do with this? How are they going to interpret this measure? How can they interpret an act about which the Senator from Ohio and the Senator from Kentucky do not even agree now? I guess they did finally get together, but they did not agree on what the decontrol provisions were. How will they interpret it? They will do just what they want to do. The Board will do just what they want to do, and will do just what the President tells them to do.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HAWKES. I wish to say that I agree that the Senator's last statement sums up the whole thing he has been discussing for 2 hours, that when all is said and done they are going to do exactly what they want to do in administering controls.

Let me say to the Senator from Nebraska that I have had letters on this subject from some of the ablest men in the United States, and I should like to suggest to Senators that in a period of 30 days plans cannot be made which will produce the results which are necessary in the United States. There is not a man in this Chamber who would put his money into a production enterprise for 30 days, not knowing what the Decontrol Board and the Administrator of OPA are going to do.

Mr. WHERRY. That is true.

Mr. HAWKES. Without even raising the question of good faith, I say to the Senate that the uncertainty represented by the language of this measure will retard production, it will injure the American people, and they will go right back to the same black market and all that we were in when we passed a bill which really meant something.

May I go one step further and say while I am on my feet that I read to the Senate on the night of the vote on the last OPA bill the story of what happened in France in 1793 and 1794, when they even got to the point where they cut the heads off the citizens by the dozen, and there is a list of them in the RECORD, for going into the black market and refusing to produce and abide by the price regulations. I want to say to the Senate that today at this minute a new bill is ready for introduction in the legislative body of France pronouncing the death sentence upon anyone who deals in the black market or who fails to abide by the laws in regard to the production and sale of foods and necessities of life. Think of that, Senators! They are back to the same thing again. And why are they back to it? Because they are fail-

ing to obtain production through the control and the regulation of the individual.

Mr. WHERRY. I thank the distinguished Senator from New Jersey.

Mr. President, I have sent for the record. I did not have it before me when the distinguished Senator from Ohio read what he said he thought was a provision in the former bill to decontrol meat and milk. I wish to call the attention of the Senate to page 10, sections 7 and 8 of the bill, which the Senate passed. I read section 7 as follows:

(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

Section 8 is as follows:

(8) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to cottonseed, soybeans, or products processed or manufactured in whole or substantial part from cottonseed or soybeans.

Section 9 makes the same provision respecting milk and food and feed produced in the processing of milk.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. RADCLIFFE. I can realize that for the period of 30 days until August 20 is a very short time. No one questions that fact for a moment, but we were seeking to secure the best terms available.

Mr. WHERRY. The Senator asked me a question—

Mr. RADCLIFFE. Let me suggest first—

Mr. WHERRY. The Senator asked me a question and I will answer him now. What is proposed to be done will lead all the elevator men in the country to believe that they have until August 20 to get rid of the grain at the price at which they bought it. That is not what we have done at all. By section 18 there are put into effect immediately all the orders, prices and regulations that OPA had in effect in the last week in June, and that means that if today a man has grain which he bought at the price at which the Senator from Ohio said he bought it for, and the President signs this measure tonight, he will have to take the ceiling price of the last week in June until he gets relief and he can obtain relief in 30 days if I understand the procedure with respect to application for relief. So it will cause the elevator owners and the feed merchants to become involved in a chaotic market which will force many of them into bankruptcy.

Mr. RADCLIFFE. I do not follow the interpretation of the Senator.

Mr. WHERRY. No two individuals would interpret the measure the same, I presume. There are 96 men in the Senate who would no doubt interpret it in different ways.

Mr. RADCLIFFE. May I be permitted to comment for just a moment?

Mr. WHERRY. Yes; I will be glad to yield to the distinguished Senator from Maryland.

Mr. RADCLIFFE. Much stress has been laid on the fact that the members of the Decontrol Board may not do their duty. How can we guarantee that they will do their duty? How can we guarantee that any official in an administrative office will always perform satisfactorily all of his duties? But what have we done by way of direction? We have set up standards, and we require findings of fact. It purely would not be within the caprice and the discretion of the Decontrol Board to do whatever they wanted to do, if in conflict with the standards set up and without the necessity for making of findings as to facts. If the members of this Board determine upon findings and follow out the standards which are set up for them, then they must be doing what ought to be done. It does seem to me that it is very much better to require findings and to require standards than not to have any such requirement. That is what we have attempted to arrange for in this particular matter. I do not see how, when we attempt to make provisions as to the performance of duties by public officials, that we can do better than set up standards, require findings, or do otherwise than set forth requirements. What else can the legislative branch do?

Mr. WHERRY. I will answer that question. Congress ought to decontrol meat and milk. We ought to tell the OPA officials that that is what they are to do, and not leave it up to them. The provision in that respect should be made by statute.

Mr. RADCLIFFE. I voted that way.

Mr. WHERRY. I am not complaining. The Senator asked me the question, and I answered him.

Mr. RADCLIFFE. It was not possible to secure full approval of the Senate's position.

Mr. WHERRY. I think it was.

Mr. RADCLIFFE. That adherence to the Senate's position was not possible if the conferees disagreed, and then no one could tell what would eventually result, that is, whether the Congress would ever agree upon a bill, and, if so, what would be its provisions and what would happen to industry because of such delay and confusion.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. DONNELL. I was very greatly interested in the Senator's comments respecting section 18, and it is with reference to that that I desire to ask him his judgment. I note the language in that section:

SEC. 18. (1) The provisions of this act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this act had been enacted on June 30, 1946.

I wanted to ask the Senator two or three questions to enable me to understand clearly his position. Am I to understand that the Senator construes the language I have read, particularly the reference to price schedules, to mean that if the conference report is approved

and becomes law, the prices we will say of grain and of livestock and of poultry and of milk products which prevailed on June 30, 1946, will go into effect immediately?

Mr. WHERRY. That is my understanding of the conference report.

Mr. DONNELL. That leads me to the further question. Back on page 4 of the report, paragraph 8, subparagraph (A) contains the following language:

(8) (A) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable prior to August 21, 1946, with respect to livestock, milk, or food or feed products processed or manufactured in whole or substantial part from livestock or milk with respect to cottonseed or soybeans, or food or feed products processed or manufactured in whole or substantial part from cottonseed or soybeans; with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

The question I wish to ask the distinguished Senator from Nebraska is this: Obviously there appears to be a conflict between the two sections. Section 18 would seem to put into effect all price schedules in effect June 30, 1946. On the other hand, the section I have last read would indicate, as I have quoted from it, very clearly that no maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable prior to August 21, 1946.

Now I want to ask the Senator, Is it not a general rule of statutory construction that a court will endeavor to harmonize all portions of the act?

Mr. WHERRY. Yes.

Mr. DONNELL. Would it not be true, therefore, that it would be a permissible construction for the court to hold the language in section 18 to be a generalization, and the portion on page 4 to be a particularization, to quote substantially from my distinguished friend the Senator from Oregon [Mr. CORDON]? Would it not be permissible therefore for the court to hold that while section 18 provides generally for a reduction of price schedules, as to the particular things stated, from which I have quoted on page 4, there shall be no reduction of maximum prices until August 21, 1946, and would not that, under the settled rules of statutory construction, be the normal construction for a court to place on this legislation?

Mr. WHERRY. In answer to the distinguished Senator I will say that we are the ones who are called upon to pass upon that when we vote upon this report. I agree that there is that provision on page 4 which the Senator read. I agree that section 18 provides for a general price control, that is, it is general in that it puts into effect all the prices of June. But whether it is controlling, or whether the other portion is controlling, or whether the time will come when we have to pass upon it, it is my theory that in the next 20 days the act will be construed in such a way that section 18 will be controlling, and that the only relief that can be obtained is through some court action, and if it shall be construed that the language on

page 4 is controlling, then section 18 should be stricken from the measure entirely. Does the Senator see what I mean?

Mr. DONNELL. I see the Senator's point, and I can well understand it. I can see where there is obviously an apparent contradiction between the two sections. On the other hand while it devolves on the Senate to decide now at this time what this measure means and whether we are going to support it, yet it seems to me that in deciding it we should employ the well-established rules of statutory construction, and that if it be possible to harmonize the two sections along the lines I have indicated, namely, that section 18 is a generalization which, as to particular matters embraced in earlier portions of the measure would not apply, it would seem to me that the Senate would be justified in assuming that that is the correct meaning of the proposed legislation.

Mr. WHERRY. I submit to the distinguished Senator from Missouri that, even though we accept his premise and his conclusion, what the Senate should do is to write into the act what we mean, and only what we mean. We should not make it impossible for any segment of industry to rely upon a court for a judicial decision to determine whether section 18 is applicable, or whether the section on page 4 is applicable. The proposed law will create complete confusion. My experience, in the light of section 18, leads me to believe that OPA will say that not only did Congress intend that price control should be reestablished, but that it intended to validate every price regulation and order written by OPA, when we make the act effective as of June 30, 1946.

Mr. DONNELL. If OPA were to take the position that section 18 would restore the prices on grain, livestock, milk, soybeans, and so forth, mentioned on page 4, how could OPA explain away the provision on page 4? I see the Senator's point, but does it not follow that in determining whether to approve the proposed act which is now before us for consideration we should take into consideration, not the apparent conflicts, but the well-established rules of statutory construction, under which it would appear that both the provisions of section 18 and the provisions on page 4 can be harmonized?

Mr. WHERRY. This brings up the very thing mentioned by the Senator from Ohio. There were two specific exemptions in the former bill, and yet in another section in the bill there was a provision that no maximum price should be established. The distinguished Senator says that there can be reconrol. What is controlling? Is the general section controlling, and can reconrol be established regardless of the two special exemptions, or are the two special exemptions controlling? My opinion is that if we leave section 18 in the joint resolution, that is exactly how the OPA will construe it. It will establish prices as of June 30, and they will involve everyone who operates in the grain market or in the livestock market. Those will be the prices at which they will have to sell between now and August 20.

That is my opinion. The OPA will go to court and will have every reason in the world why its interpretation of section 18 should be controlling.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CORDON. I find myself in agreement with the Senator from Missouri with reference to the question of statutory construction. But I wish to make this point with reference to the practical situation which will be faced by those who have purchased grain in the markets since price control was removed. Let us assume that the Senator's construction is correct. Let us assume that there is no legal objection to any man who has made grain purchases going into the open market and selling the grain for any price he can get. As a practical matter, where will he find a buyer after this provision becomes law? Who would undertake to pay a price above what may be expected to be the ceiling in the period between the time this act becomes law and the time when the Decontrol Board may operate? This seems to me to be the only possible answer—and if the distinguished Senator from Ohio agrees with me, I hope he will give me his opinion on this point: The only answer I can see will rest in the power—if there be power—in the Government, by another subsidy or the equivalent of a subsidy, to make up to those people the difference between the price they paid in an open, uncontrolled market, and the price at which they could have bought the product later in a controlled market. If that cannot be done, I can see no alternative to taking a heavy loss, directly attributable to this legislation.

Mr. WHERRY. I thank the distinguished Senator.

Mr. TAFT. Mr. President, will the Senator yield in connection with this matter?

Mr. WHERRY. I yield.

Mr. TAFT. No subsidy can be imposed unless it was formerly imposed. The joint resolution specifically so provides. So the only way the OPA could take care of the situation would be by increasing the price which may be charged. That is what I understood the Senator from Kentucky [Mr. BARKLEY] to say would be done in the case of grain. But I do not find that assurance in the case of other commodities. The problem today is no different from what it was a week ago. It is exactly the same. People have been buying commodities, although they knew that Congress might restore price control. The situation on the 10th of August will be no different from that on the 20th of August. The situation is very undesirable, but it is no different in kind from what has been the case during the entire intermission.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CORDON. I am in accord with the Senator from Ohio. Everyone who has made a purchase or sale in this period has been on notice that the Congress could not make up its mind to come to any conclusion as between the two Houses, or any conclusion that it felt 1600 Pennsylvania Avenue would ap-

prove. After all, that was the trouble. In my opinion the conference report is not a meeting of minds on the basis of compromise between the two Houses of Congress. It is a face-saving device for 1600 Pennsylvania Avenue.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. After listening to the arguments as to the interpretation of section 18 and the provisions on page 4, it seems to me that we are called upon to vote on something with respect to which there is a conflict of opinion which can be settled only by a court in the application of a statutory rule of construction. We are in a position where something must be done by August 20.

Mr. WHERRY. That is correct.

Mr. FERGUSON. It is impossible to have a construction by any court within that period of time. So we say to the people, "Allow the construction of the OPA board to take effect. You will deal at your peril. We in the Senate cannot agree as to what the law means. Go ahead and act, and if you are wrong you will be sued by the United States Government." Is not that exactly the position in which we find ourselves?

Mr. WHERRY. I think that states the position exactly.

Mr. TAFT. Of course, these provisions were in the original law. This question could have been debated fully at the time the original law was enacted. Exactly the same problem rose at the very beginning in connection with the original bill. It may be an objection to the entire joint resolution, but the problem existed at that time, and was discussed to some extent.

Mr. FERGUSON. The fact that it was in the original bill does not make any difference now. We now find ourselves confronted with this question, and we are saying to the people of the United States, "Make your choice at your peril."

Mr. WHERRY. That is correct.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the distinguished Senator from Colorado.

Mr. MILLIKIN. If the Senator will permit me, I should like to make this observation: There is a great deal of talk to the effect that those who have been making purchases and forward orders, and who have been filling the pipe lines with goods were doing so at their peril. I think that is an utterly fallacious and completely dangerous doctrine. From the moment of time when the President vetoed the bill there was no presumption that there would be another bill; and under my view no American citizen should suffer for what he did during the interim.

Mr. WHERRY. I thank the Senator from Colorado. That is exactly the way I tried to put it. He has done it forcefully, and his suggestion is crystal clear as to the position which I take.

Mr. President, I yield the floor.

TERMINAL LEAVE FOR ENLISTED PERSONNEL OF THE ARMED FORCES

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its dis-

agreement to the amendments of the Senate to the bill (H. R. 4051) to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. THOMAS of Utah. I move that the Senate insist upon its amendments, agree to the request of the House for a conference and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. THOMAS of Utah, Mr. JOHNSON of Colorado, Mr. HILL, Mr. GURNEY, and Mr. REVERCOMB conferees on the part of the Senate.

LEAVE OF ABSENCE

Mr. ROBERTSON. Mr. President, I ask unanimous consent to be absent from the Senate for 1 week.

The PRESIDENT pro tempore. Without objection, leave is granted.

EXTENSION OF PRICE CONTROL—CONFERENCE REPORT

The Senate resumed consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

WHY OPA SHOULD NOT BE REVIVED

Mr. WILEY. Mr. President, I shall not detain the Senate long. First of all, I ask unanimous consent that there be printed an article entitled "High Lights of Compromise for Price Control Revival," as set forth in one of the Washington newspapers.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HIGH LIGHTS OF COMPROMISE FOR PRICE CONTROL REVIVAL

Here's what the price control compromise does:

1. Restores price and rent until June 30, 1947, but with sharply curtailed OPA discretion, and divided authority.
2. Sets up a new three-man Decontrol Board, which will have powers to reestablish controls. The Board could override OPA and the Secretary of Agriculture to remove controls on any commodity. It could restore controls on any of the basic foods and other items previously exempted by the Senate.
3. Ceilings on 5 of these commodities—meat, dairy products, grains, cottonseed and soybeans—will go back August 21 unless the board decides otherwise. These items must remain ceiling-free until that date.
4. No controls can be imposed on poultry, eggs, petroleum or tobacco unless the Board orders. In no event can the Board recontrol these before August 21.
5. In addition, the Board has the same broad power to order removal of ceilings on other commodities it was granted in the recently vetoed bill.
6. Subject to the Board's final say, the Secretary of Agriculture, rather than OPA, would decide what farm commodities can be controlled.
7. OPA's rent-control authority is continued unchanged.
8. Subject to the Decontrol Board's overall orders, OPA would continue to set ceilings on industrial goods. But its discretion

would be sharply curtailed by the bill's new pricing formula.

9. Both rent controls and industrial price ceilings would be restored on the day the President signs the bill. OPA is expected to issue interim regulations covering the 30 days allowed for working out the higher ceilings required by the new pricing formula.

10. This formula requires OPA to set ceilings for manufacturers on an industry-wide basis, reflecting their average 1940 price for each product, plus increases in cost since. OPA could refuse the increase to manufacturers already receiving costs "plus a reasonable profit" if the increase would not aid production, or if it would reduce production of equally needed items.

11. OPA still would retain considerably more discretion than under the Taft amendment. For example, it could make "reasonable adjustments for conditions resulting from abnormal volume of production."

12. OPA would have to give wholesale and retail distributors ceilings reflecting their "current cost of acquisition of any commodity plus such average percentage discount or mark-up as was in effect March 31, 1946."

13. Subsidies largely for holding down food prices trimmed from the \$2,000,000,000 asked by OPA to about \$1,000,000,000. No food subsidies could be paid after next April 1.

Mr. WILEY. Mr. President, I wish to compliment the "Nebraska Bomber" [Mr. WHERRY]. He has done a great job today, just as the second bomb at Bikini did this afternoon at 4:30. The report from Bikini is that it destroyed practically everything, and those who heard the sound over the radio sensed something almost uncanny.

I think it was the senior Senator from Michigan [Mr. VANDENBERG], who was absent in Europe while we were living through the period of readjustment between the demise of OPA and the present, who asked a question which indicated to me that he had a sense of fear as to what the consequences might be of not continuing OPA.

As I listened to that discussion there came to my mind the illustration of an eaglet which was captured when only a few days old. A chain was fastened around its leg. Through the months it would go as far as the chain would permit. Eventually the eaglet grew into a mature eagle, but it had lived through a long period when it was chained. One day the chain, which had rusted, broke. It made no difference. The eagle had been chained. It did not know how to fly. In recent times we have seen nation after nation chained in its thinking by government action. Never before have we in America permitted ourselves to be chained. We never permitted it until the war came. Then we said, "It is a war necessity."

But, Mr. President, month after month has passed since the war ended. I call attention to the fact that the question involved in the pending conference report may not necessarily seem of such great importance to those of us here, because we are not merchants, we are not farmers, we are not producers, we are not manufacturers. We have not had to deal with the 107,000 directives of OPA, which took 90,000,000 words to write. We have only had them thrown at us from time to time, as we have had to take them up with various members of the OPA or before our constituents.

So, Mr. President, I say that if we consider the understandings which were had at the time when the OPA came into being, we find that it was strictly understood that the OPA would not operate after the cessation of hostilities. There were other understandings which it would be very interesting for us to review, but I shall not take time to do that now. I shall simply state briefly my own conclusions.

I have lived through these 4 weeks during which we have had no OPA, and I have heard the Bowles and the Porters and their political kinfolk, as all America has heard them. I wish that everyone in America could have heard the distinguished young Senator from Nebraska [Mr. WHERRY] today, when he gave us the facts of the case. I shall not restate them now.

During the war we found that our great people were willing to be chained during that period of time in order to produce for the 15,000,000 men who were fighting our battles. However, just as soon as the war ended, thank God, the inherent American spirit manifested itself, and our people no longer wanted to be chained. When the chains came off, as a result of the President's veto of the OPA extension bill, the men who were supposed to be the leaders of thought, psychologically and otherwise, did nothing but plug the radios with expressions of their thoughts of fear and of the inadequacy of the American people, the American merchant, the American farmer, the American producer. I wonder what President Roosevelt would have thought if he could have heard his political kinfolk preaching the doctrine of fear. He said to us, "The only thing we have to fear is fear itself."

Mr. President, I have made these remarks in leading up to a submission of my own reasons for opposing the conference report, this compromise measure for price-control revival. Unless I am convinced to the contrary by what is said on the floor of the Senate, I shall vote against the conference report. What I have heard thus far today does not convince me to the contrary.

Indeed, the word "compromise" is a good word to use to describe the conference report. It would compromise the American system of private enterprise. I believe it would create chaos in industry and agriculture and would place the strangle hold of state socialism upon us. I do not say that idly. State socialism means what was so well described to the Senate by the Senator from New Jersey [Mr. HAWKES], when recently he referred to the historical incident in France. Under state socialism, the state regulates every activity of the human family. Thank God, we in America revolted against such a system when the war was over. But now it is proposed that we have it again. The real question now is whether there is any need for it. Mr. President, has the need been demonstrated? During the debate, Senators have been arguing about technicalities of this "compromise." But the question is whether there is any need at all for the system proposed by the pending measure.

After listening to the undisputed facts which have been presented today by the Senator from Nebraska, I ask you, Mr. President, Is there any need for what the conference report proposes? Is there still an element of fear, caused by fear propagandists, lurking in us? If there is, let us cast it out. Let us remember how we were able to get along very nicely before we had OPA.

Mr. President, I desire to present, point by point, my own conclusions and my own reasons for opposing this hodgepodge, patchwork legislative proposal.

1. OUR EXPERIENCE DURING FREE PERIOD

What has happened during more than 3 weeks of freedom from OPA has proved the soundness of Americans and the American system of free enterprise. Our experience during the time since the OPA has been out of existence has strengthened me in the conviction that, in spite of the hamstringing effects of OPA in the past, we have enough strength, honor, and integrity in the American economy for a complete revival of private enterprise and all-out production. During this time of more than 3 weeks Americans have breathed the free air of genuine competition.

Mr. President, let me say, to digress for a moment, that since the OPA went out of existence, I have talked to merchants in my own State. Today an important milk producer telephoned to me. I say that we of the Senate personally have lived without the clutch of government Gestapo on our shoulders, without having the price of every commodity fixed by Government, without the storekeeper being compelled to pay a fine of \$25 if even one commodity in his store was sold for a fraction of a cent above the so-called legal price, without the threat hanging over him of being haled into court.

We personally can scarcely realize what has happened since we have been free from OPA control. Our merchants and our storekeepers and our farmers and our producers are again breathing the free atmosphere of what is rightfully theirs. Let us remember that they are the sound, clear-thinking segment of American society.

Mr. President, there has been a sigh of relief and joy throughout our whole economy, throughout industry, commerce, and agriculture, as private enterprise has gotten into production in the American way. Today my son-in-law came to Washington from Boston, where he has been teaching. He said that not until the OPA went out of existence were he and his family able to get meat, and that since the OPA has ended they have been able to get meat—at the prices shown today by the Senator from Nebraska.

Mr. President, the price rises which have occurred in the free period following the death of OPA have been negligible. Generally speaking, the increases in prices since OPA ended have amounted to approximately the subsidies which formerly were paid by the Government.

Let me say that I wish that the statement which has been made today by the Senator from Nebraska could have been heard by all our people, so that they

might understand what he has said, namely, that by getting along without the OPA we are avoiding the diabolical practice of paying \$2,000,000,000 a year in subsidies, as we did last year.

In this connection, let me ask this question, With American purchasing power at \$170,000,000,000, with production coming into its own in every line, unhampered by Government directives and restrictions, with the Government debt mounting so tremendously because of Government spending, is it not just common sense, as well as good economics, that we do away with all subsidies except in the few cases, such as copper, lead, and zinc mining, where it is imperative to provide an incentive to stimulate production?

2. DANGER OF RENEWED BLACK MARKET

Mr. President, not only should we end the OPA because the American economy has ample strength to get along without it and because we must stop paying useless subsidies, but also because the OPA, if continued or extended by the pending conference report, will reintroduce the terrible black market. We in Washington knew about the black market. Here in the capital of the United States black markets ran rampant. Eighty percent of the meat sold in the United States was sold on the black market, until the OPA went out of existence. All of us realize what the black market has meant to the morals and health of the people.

No one can estimate what it means to the rejuvenation of America to get rid of something that produced such a crime wave, for that is what the OPA and the black market produced. It caused some of our best citizens to become criminals, and they set a horrible example for the rising generation, the youth of our country. It has been an extremely bad influence for them to see respectable men, who have to live, violate the law.

However, in recent weeks, as a result of the death of the OPA, that situation has changed. The importance of doing away with those conditions cannot be minimized. Once before we learned that lesson, namely, when the bootlegger operated during prohibition. It is reliably reported that the black marketeers who profited so much from OPA maladministration and ineptitude are using their influence to have OPA reinstated, just as the bootleggers strove to prevent the repeal of the prohibition amendment.

Mr. President, we must realize the importance of these matters and influences which I have been discussing, these evil influences upon the future life of America. We must consider them.

3. TESTING THE AMERICAN PEOPLE

Mr. President, my third reason for opposing the conference report and for wanting a further breathing spell for America is that during this further free period, we shall be able to test further our great American people.

I have faith in our people, although the Bowles and Porters and their economic kinfolk do not.

Mr. President, go to your merchant. I do not care who he is, or what line he handles. Ask him how he feels about the situation. Talk with him. If the subject is groceries, meat, hardware, or

clothing, find out how he feels. You will note that the fear which was formerly in his eye has now gone. Previously he thought that he might be in danger of making a petty mistake, and if he made one, he would be held up as a criminal to the people of the community. On the other hand, he would be told to pay. And, Mr. President, how many thousands of merchants were required to pay when they made an unintentional mistake.

Senators, the OPA Gestapo came as close in its operations to the Gestapo of Europe as any Gestapo ever came. If Congress had an opportunity to investigate in some of the States, it would find conditions which smell to high heaven—and I know whereof I speak. Do we wish to return to that condition in free America? Think it over!

Mr. President, I have faith that the American people will be proved not to be a bunch of gougers and chisellers. It will be proved that they will be satisfied with a reasonable profit. It will be proved that they can meet the challenge of production, unhampered and unchained. It will be proved that they can get all the goods they need at fair prices, and of good quality, by allowing the law of supply and demand to operate in a free, competitive economy.

4. CURE BUREAUCRATIC POWER

My fourth reason for opposing the conference report is that, by rejecting it, we will be thwarting the power-drunk ambitions of many of the OPA hirelings who want to remain in office indefinitely, with their stranglehold on the American people undiminished. Those are strong words.

I wish to pay a compliment to many of the men in the OPA who have proved themselves to be real servants of the people, and real honest hard-working persons. However, I could present a list of other persons who have shown utter disregard of a servant's position and have possessed the master complex which was demonstrated at every turn of the road. We will prove that we do not intend to be the blind foils or tools of collectivist superplanners.

Mr. President, how did other nations go down? They went down by disregarding the mandate of the legislative branch. When the administrative branch became super, when it began to rule the lives and the actions of the people, the nation then started to sink.

Controls like OPA are justified in war. In peace, however, they are never justified in a free America.

We will prove that we will not be stamped by terrorist propaganda of the OPA fear-mongers. When the OPA goes out of existence, with it will go thirty-odd thousand employees and America will be saved an expense of \$150,000,000 a year. Thirty-odd thousand employees of the OPA will be turned back into the private economy of the country.

5. ADEQUACY OF FREE ECONOMY NOW

Mr. President, my fifth reason for opposing the OPA extension measure is that there never was a better time than now to test our free economy. It will be remembered how fear was injected into the minds of the people throughout the

country by the use of every possible means, such as the radio, the newspapers, and others. If we kill the OPA we will wipe out chaos.

It will also be remembered how the dairy industry and all manufacturing industries were compelled to resort to the press and to tell the American people that they would keep faith. They have kept faith. The retailers, the wholesalers, the small businessmen and the big businessmen have kept faith, and they will continue to keep it.

Mr. President, at what other time than the present will we be better situated to test our free enterprise system? The time is here to rid ourselves of the dampening influence of OPA. Never will we be better situated than we are at the present time?

I inquire again, When will the time come which will find us better situated to test our free enterprise system? Like the eagle, we have been chained, but we know now what to do. We will walk out to the end of the chain and beyond. Mr. President, the OPA situation is one which the American people will not long stand. We are freemen. We are not like the eagle even though we agreed to be chained temporarily during the war. But when the war was over we broke those chains. We are once again freemen, and we desire to continue on our way as freemen.

I accepted in full the implication of the Senator from Nebraska who inquired, If we put ourselves under the influence of OPA, what will be the situation a year from now? Consumers who are listening should ask themselves the same question. What will be the situation then? If we submit to OPA for another year it will result in weakening our resistance to OPA.

It is not idle fancy to say that that is what some folks want. I am not saying that all of them want it. But any one among us who has his eyes open knows what is taking place throughout the world. At the present time two great ideologies are in conflict. One is represented by Russia and the other is represented by America. Russia tells us plainly that the two ideologies are in conflict, and that only one can endure. Two methods have always been found; one, to conquer the territory outright; the other, to weaken the enemy and create a division. So perhaps there is something more involved than the mere question of whether the small extra amount which we pay for our meat or our butter is to be paid by us for those commodities or paid indirectly by the Treasury as a subsidy.

6. LATER OPPORTUNITY FOR RESTORATION OF CONTROLS

Mr. President, my sixth reason for opposing the OPA extension measure is that later there will be ample opportunity after a further breathing spell period, for Congress to take care of any undue price rises which may occur during the coming months. It is now just 3½ months or so before the November elections. If Congress were to adjourn late this week, or by the middle or the end of next week, it would give our free economy a minimum of about 15 weeks to demonstrate its soundness without the exercise of Government controls. At any time

thereafter, between the middle of November and the end of December, Congress could, if necessary, be called back into session in order to meet any case of inflationary prices which may possibly have developed in the meantime.

7. NEED FOR UNDERSTANDING NOW

My seventh reason for opposing the present OPA extension measure is that it is imperative that an understanding be reached between the various groups of America and that the distrust, the suspicion, and the hatred which has been bred by OPA be eliminated.

If we get into the picture a proper understanding, we will dispose of those men who profited by OPA-created misunderstandings, and by class differences. When men work in harmony, the greatest results are attained. In any office, in any home, in any manufacturing plant, if men are at sixes and sevens the result is the impairment of efficiency. On the other hand, if harmony prevails, results increase.

Mr. President, I have given a simple analysis of what is wrong in America today. It is time that we awakened to the challenge and ask ourselves who is begetting this condition.

8. NEED FOR JUSTICE FOR FARMERS

Mr. President, in no single sphere is there greater need for more understanding than there is for understanding between farm and city folks. OPA has perverted the idea of economic justice to the farmer by imposing on him orders and directives which deny him his cost of production plus a reasonable profit.

In the last 13 years, 10,000,000 people have left the farms. Why? Because the hourly wage on farms did not compare favorably with the hourly wage of the city laborer, to name one reason.

In my State, farmers have been averaging approximately 50 cents an hour for their labor. Consider how unfavorably that compares with the compensation on an 8-hour-day basis that town folks get. Does that sound like chiseling or gouging—if the farmer gets a mere 50 cents an hour for his labor?

If we get rid of OPA, we shall be restoring the basis for economic justice for the farmer, as well as for the small businessman, the factory owner, the retailer, the distributor.

But, Mr. President, simply getting rid of OPA will not do it. We have to get into the picture the understanding of what is involved in this whole matter, understanding the 50 cents an hour to the farmer for farm labor as compared with \$1, \$1.25, or \$1.50 paid to city labor. So now we will come to a little appreciation of why OPA propagandists were able to get this fury of fear started throughout the land, and get big editorials written in the newspapers and articles by columnists exploding fear like the atomic bomb in Bikini today.

Almost 4 weeks have gone by since OPA expired. Have any of these folks acknowledged they were wrong? Has Bowles or has Porter? We have heard the editorials read today by the distinguished Senator from Nebraska. Some of them are coming through. We told them that America would be adequate, but we were unheeded.

By eliminating OPA we shall be laying the basis for understanding between the farmer and the city man. We know that if the farmer ever stopped producing and went on a strike, the situation would be grave indeed for the welfare of America. We shall make such a strike completely impossible and unnecessary if we have the courage of our convictions now and rid the country at least for a breathing spell of OPA.

I want to cite the example of butter as an instance wherein the farmer is simply getting his cost of production plus a reasonable profit. It takes 10 quarts of 4 percent butterfat milk to produce a pound of butter. Out in my State farmers have been getting from 6 to 7 cents a quart for milk. At 6 cents a quart, that adds up to 60 cents a pound for butter. The Government subsidy on butter, when OPA was in effect, was 14½ cents per pound. Add that sum to the farmer's return—60 cents plus 14½ cents—and you get 74½ cents per pound of butter.

To the average citizen, that may seem like a high price. Why? Go downtown and buy a box of Fanny Farmer candy or some other candy and pay \$1.50 or \$2 a pound for it. Buy any drink of liquor, and it will be 60 or 65 cents.

Some may say they used to buy butter at about 45 or 50 cents. That was before the farmer's feed prices and everything else went up. Now the price of butter has risen to approximately 70 cents. I think that today it was below that. Immediately, someone wants to hit the fellow who produces it. I want to get rid of that idea right here, because that presents the opportunity for all the "leftist" thinkers, for all the "Reds," for the Communists, to put in a wedge, and that is what I want to get rid of. The only way to do that is to have an understanding of the situation.

Rumor has it that some of the labor leaders have been here telling the Government again what should be done. They should get an understanding of this butter situation, the meat situation, the cheese situation. They should collaborate with those who produce them.

I said the other day, in speaking about conditions, that people should ask how much butter we eat. I suppose there is not a man in this Chamber who eats half a pound of butter a week. If the subsidy is 14 cents, that means 14 cents, over and above what was paid, before, for two weeks, or 28 cents a month, and 12 times that is the increase for a year.

But you have been paying that into the Treasury, and the Treasury has been paying it to the farmer. That is why the argument of the distinguished Senator from Nebraska today was so illuminating. I hope it added light, and that the facts can go out to all our people. I should like to see this fine group of newspapermen who sit in the press gallery take hold of this and be enthused with the thought that they are "bringers of light" to the people of this country, so that the people can get the real truth. We are told it is the truth that makes men free.

9. NEED FOR ADEQUATE LABOR POLICY

A ninth and concluding reason for opposing the OPA extension bill is that we shall be laying the basis for a sound labor

policy in America. So long as the employer is denied his cost of production plus a reasonable profit, he lacks an adequate basis for insuring fair and correct returns for labor. That again some might question, Mr. President, but it is fundamental.

If a manufacturing plant cannot get cost of production plus a reasonable return, it cannot pay labor reasonable wages. We have heard the discussion today indicating how that arrangement could be interfered with under the present compromise joint resolution, if it were to become law.

If I were in the councils of labor, I would not come to Washington to pressure the Government and the President to keep a stranglehold on the producers of goods. I would urge my national representatives to give the green light to private enterprise—to give the food producers and the machinery producers and the appliance producers of America the chance to get into all-out production, free of Government directives, so as to produce a vast supply of goods for our own Nation and for all other nations of the world.

If I were in the councils of labor, I would not aid and abet the poisonous fear propaganda of OPA's minions—questioning the integrity and the character of the farmers, the wholesalers, the distributors of America.

By opposing this OPA extension bill, I believe we are paving the way for a return to a natural economy under which labor and management can bargain collectively while management gets its cost of production plus a reasonable profit.

These, then, are nine reasons for opposing the OPA extension resolution.

Mr. President, because the subject has already been so fully covered, I ask unanimous consent that a brief statement coming from the meat packers in the Western States asking that the Senate reject the conference report, be printed following my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The meat packers in the Western States hope the Senate will reject the conference report on the OPA extension bill and send it back for the purpose of decontrolling livestock and meat.

We feel the proposed Price Control Act restoring price controls to livestock and meat August 20 will only create confusion and chaos in the industry.

For the next month the industry will have to be on a day-to-day basis as far as purchases of livestock and sales of meat are concerned. This would particularly apply to many meat products which it takes time to process and in which time is required either in aging, freezing, pickling, or other methods before meat is used in the final product.

With such a sword hanging over the head of the industry who would buy with prospects of reduced price at time of sale. This present bill would not allow the industry to operate on a practical basis but only to operate in a confused manner which would deny the industry the opportunity that it now has to get its operations back on a law of supply-and-demand basis.

Also livestock will be rushed to market to beat the August 20 deadline causing disruption of orderly marketing and many immaturely finished livestock will be sent to market. This will tend to create a shortage in

future months when they normally would have been marketed.

Meat markets over the whole western country are becoming filled with meat, prices are dropping, and if this industry was allowed to go ahead without such a threat over it, we are sure there would never be any reason for placing controls back on livestock and meat in the future.

We hope the Senate will reject the conference report and insist that the controls be taken off livestock and meat and the industry given an opportunity to demonstrate that it can furnish meat to the people at reasonable prices. If the bill goes through in the form recommended by the conference committee, we consider it a victory for the black market.

It is time for all of us to realize and admit that the actual cost of living is on the black-market prices and not the fictitious ceiling prices posted by the OPA. The Senate vote on the floor of 49 to 26 in favor of decontrolling of livestock and meat indicated that the Senate took this into consideration.

Legitimate packers of the nine Western States cannot operate another year under the intolerable and restricted conditions imposed upon the industry by the offices of the OPA and Economic Stabilization.

Is the Senate willing to assume the responsibility of the return of the black market with all of its evils and under the OPA cause practically every retail market in the country to be again converted into a speakeasy?

WESTERN STATES MEAT PACKERS
ASSOCIATION, INC.,

By E. F. FORBES, *President*.

JULY 23, 1946.

Mr. WILEY. Mr. President, following what I have already had inserted in the RECORD, I ask unanimous consent to have printed in the RECORD a statement in relation to production and distribution of butter, showing the improved condition since July 1.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PRODUCTION AND DISTRIBUTION OF BUTTER
IMPROVED SINCE JULY 1

According to official reports from the United States Department of Agriculture the production of butter for the week ending July 11 was 23 percent lower than the same week 1 year ago. Carefully prepared statistics from the American Butter Institute, after a study of production reports from 211 member companies in various States, reveal that production during the second week of July was 20 percent less than 1 year ago. During the first 6 months of 1946 the production of butter, as revealed by official documents from the United States Department of Agriculture and from reports from members of the American Butter Institute, was 30 percent to 35 percent under the same week in 1945. Thus over-all production has improved at least 10 percent, even during this brief period and at a time when total milk production in the United States is below that of a year ago.

Telegraphic reports dated July 17 from two large butter processing companies operating in several Midwestern States follow:

"Our butter production week ending the 13th increased 10 percent over week ending July 6 in normal years these 2 weeks would be about even production everything indicates that butter production will continue to grow under a free economy and still sell at ceiling plus subsidy or under."

"Production of butter through diversion from other channels into butter showing substantial increase in our production plants. Assembly operations in Minnesota and Iowa which have been at a standstill due to

higher markets for cream and other products converting back to butter in substantial way. Butter values around the country already showing effect of greater supply; prices moving down."

Practically unlimited consumer supplies of butter are available in all principal cities. Retail prices for butter have ranged from 69 cents to 85 cents in most every instance, with the average retail price being considerably less than the legal OPA price on June 30 plus the 15-cent Government subsidy paid directly to dairy farmers and canceled by the expiration of OPA on July 1. Consumers formerly paid these subsidies through taxes. Since the farmer has received the direct price in lieu of subsidies, butter production has been increased.

The consumer price for butter on the free market has been considerably less than that charged on the black market and supplies are distributed equitably to all consumers in all parts of the United States. The black market in butter, which handled more than 50 percent of the supplies prior to June 30, has been almost entirely eliminated.

Mr. WILEY. I also ask to have placed in the RECORD a telegram from D. K. Howe, president, American Butter Institute respecting increase in butter production.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., July 22, 1946.

RUSSELL FIFER,

Washington, D. C.:

With price controls removed butter production increased 10 percent in four large creamery groups second week July. Contrary to customary seasonal trend this indicates natural economic forces correcting unbalanced dairy situation which existed under OPA. Please note average dairy prices to date not above OPA prices plus subsidies. These conditions prove wisdom of decontrol of dairy products with resulting sane price situation and elimination of confusion and uncertainty and stimulation of production which was goal of postwar planning.

D. K. HOWE,

President, American Butter Institute.

Mr. WILEY. Mr. President, we have heard many times that the OPA measure was a compromise measure, and that it will do the job it has been hoped it would do. I remember clearly that American industry was quoted over the radio as stating, as I have said heretofore, that the disposal of OPA would not start a ruinous price raising spiral; that it would give a chance for America to be renewed and strengthened in its vitals. Mr. President, almost 4 weeks of free economy have definitely proved that industry was correct. I believe firmly that it would be a mistake once more to strangle the economy of our country by putting into operation any kind of an OPA setup.

Economic common sense demands that if we want production we must let the people of this country be free as they pursue their course in the same manner as they did before the war. Economic common sense and fair play demand that the Government must not play favorites with its citizens when, under the guise of an emergency it interferes with the production of its citizens. That is just what happened time after time under OPA. Economic common sense demands that subsidies must be done away with.

We can save \$2,000,000,000 a year by not paying subsidies.

Mr. President, for the reasons I have stated I shall vote against the conference report.

Mr. CAPPER. Mr. President, I am strongly opposed to the conference report. The sentiment of the farmers of my section of the country is overwhelmingly in opposition to the OPA measure as it comes to us at this time. That is true especially of the farming area. I have received word from Kansas that the people think this would be a destructive measure. I am glad to say that the Representatives from the State of Kansas in the House of Representatives voted solidly against adoption of the conference report yesterday, and they reflected the sentiment and wishes of the great body of the agricultural producers of the State.

I hope the conference report will be rejected.

MODIFICATION OF RAILROAD FINANCIAL
STRUCTURES

The PRESIDING OFFICER (Mr. BURCH in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1253) to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial obligations; and for other purposes.

Mr. WHEELER. Mr. President, I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WHEELER, Mr. JOHNSON of Colorado, Mr. TUNNELL, Mr. REED, and Mr. MOORE conferees on the part of the Senate.

REPLANNING AND REBUILDING OF SLUM,
BLIGHTED, AND OTHER AREAS OF THE
DISTRICT OF COLUMBIA

Mr. O'DANIEL obtained the floor.

Mr. McCARRAN. Mr. President, will the Senator from Texas yield to me so that I may ask that the amendments of the House to Senate bill 1426 be laid before the Senate?

Mr. O'DANIEL. I yield.

Mr. McCARRAN. Mr. President, I ask that the Chair lay before the Senate the amendments of the House of Representatives to Senate bill 1426.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina) laid before the Senate the amendments of the House of Representatives to the bill (S. 1426) to provide for the replanning and rebuilding of slum, blighted, and other areas of the District of Columbia and the assembly, by purchase or condemnation, of real property in such areas and the sale or lease thereof for the redevelopment of such area in accordance with said plans; and to provide for the organization of, procedure for, and the financing of such planning, acquisition, and sale or lease, and for other purposes, which were on page 5, strike out lines 16 to 23, inclusive, and insert:

(k) "Public low-rent housing" means low-rent housing constructed by a public agency for families of low income, at rentals which (including the value or cost to tenants of heat, light, water, and cooking fuel) shall not exceed one-fifth of the highest net family income of families eligible for tenancy in such housing, as herein provided. The dwellings in public low-rent housing shall be available solely for such families of low income whose net family income does not exceed the maximum net family income falling within the lowest 20 percent by number of all family income in the District of Columbia, as such maximum net family income shall have been determined, or from time to time redetermined after public hearing, by the District Commissioners. At the end of 1 year after the enactment of this act this definition shall be reexamined by the Commissioners for the District of Columbia and a public hearing shall be held thereon to determine whether administrative or interpretive difficulties or unsatisfactory progress in the provision of low-rent housing requires a modification thereof. Upon the conclusion of such hearing the Commissioners shall forthwith make recommendations to Congress whether said definition should be modified and, if so, to what extent.

On page 14, lines 17 and 18, to strike out "Attorney General" and insert "Chief Justice of the District Court of the United States for the District of Columbia"; on page 29, line 22, to strike out "3 years" and insert "1 year"; on page 30, line 3, to strike out "3-year" and insert "1-year"; on page 30, line 25, after "Act", to insert "The National Capital Housing Authority shall keep regular books of account in accordance with standard auditing practices, covering all properties operated by it, showing detailed construction costs, management costs, repairs, maintenance, other operating costs, rents subsidies, grants, allowances, and exemptions; such books shall be subject to annual audit by the General Accounting Office, and the annual report of the National Capital Housing Authority shall include a summary of all transactions covered by such books and shall be made available to the public upon request."; on page 31, strike out lines 1 to 13, inclusive, and insert:

AMENDMENT TO DISTRICT OF COLUMBIA ALLEY DWELLING ACT

SEC. 18. (a) Section 4 (b) of the act known as the "District of Columbia Alley Dwelling Act," approved June 12, 1934, as amended, is further amended to read as follows:

"(b) On and after July 1, 1955, it shall be unlawful to use or occupy any alley building or structure as a dwelling in the District of Columbia."

(b) Section 6 of such act, as amended, is further amended by striking "1947" and inserting in lieu thereof "1955."

On page 32, line 6, after "Act.", to insert "Any life-insurance company organized under the laws of the District or formed or organized under an act of Congress is authorized, notwithstanding any other provision of law, to make loans or advances for the purpose of making repairs, alterations, additions, or improvements to homes or other buildings on improved real estate upon which it then holds a first lien to secure a loan previously made, without additional security: *Provided*, That no such loan or advance shall be made in a sum in excess of \$2,000: *And provided further*, That the amount of such loan or advance when

added to the balance due on the original indebtedness shall not exceed the amount originally secured by the first lien."

Mr. KNOWLAND. Mr. President, will the Senator explain the bill?

Mr. McCARRAN. Yes. There is but one controversial amendment made by the House. It will be recalled that the slum-clearance bill was passed by the Senate several months ago. It has been under study by the House for a long time. The question has been with respect to the definition of low-cost public housing. The House refused to accept the Senate language on that subject and inserted language which in reality was the language of the committee of the Senate when the committee reported the bill, which language was stricken from the bill on the floor of the Senate. The House took the Senate committee's language rather than the language of the Senate.

If we were to send this bill back to conference, in all probability we should lose the bill. There is so much of value in the bill, generally speaking, that I have conferred with the Senator from New York [Mr. WAGNER], who has been very much interested in this particular phase of the subject. He joins with me in the thought that it is best for us to take the bill as amended, with the idea that before the amendments would come into operation we should have ample time in which to amend the law.

I, therefore, move that the Senate concur in the House amendments.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. FERGUSON. Who signed the conference report?

Mr. McCARRAN. There is no conference report. There was no conference. The House studied the bill which came from the Senate and amended it in certain particulars. It passed the House day before yesterday, and has been messaged to the Senate. I could move to send the bill to conference, which I do not propose to do. I am moving that the Senate concur in the House amendments.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

Mr. O'DANIEL. Mr. President, I did not yield for that purpose.

Mr. McCARRAN. I hope the Senator will not insist on his point of no quorum, because I did not wish to take the time of the Senator from Texas for that purpose.

Mr. KNOWLAND. Would the Senator be willing to defer consideration of his motion until some of our Members can be present?

Mr. McCARRAN. Certainly.

I thank the Senator from Texas.

Mr. O'DANIEL. I am glad to accommodate the Senator.

Mr. McCARRAN subsequently said: Mr. President, I have conferred with the Senator from Ohio, the Senator from Wisconsin, and the Senator from New York, all of whom in times past have been interested in this line of legislation. The language of the House amendments is not exactly the same as the language of the measure as passed by the Senate,

but in my judgment it is language which the Senate can well afford to accept now, with the view of amending the bill at a later time if it does not work out. So much of value in the way of slum clearance is provided for by the bill that I am forced to conclude that we had better accept the House amendments.

Therefore, I move that the Senate concur in the amendments of the House.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. TAFT. I understand that it is the Senator's opinion that if the bill were sent to conference, in the first place the House conferees probably would insist upon the House amendments, and, in the second place, the effect might be to kill the bill entirely.

Mr. McCARRAN. That is my judgment; I believe it would kill the bill.

Mr. TAFT. If that is the Senator's opinion, I think the House amendments should be concurred in.

Mr. WHITE. Mr. President, let me ask the Senator from Nevada if I correctly understand that he has moved that the Senate concur in the amendments of the House?

Mr. McCARRAN. I have.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada [Mr. McCARRAN] that the Senate concur in the amendments of the House to the bill.

The motion was agreed to.

EXTENSION OF PRICE CONTROL—
CONFERENCE REPORT

The Senate resumed consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. O'DANIEL. Mr. President, I do not intend to detain the Senate very long, because I have discussed the subject of OPA heretofore and tried to make my position well known and clear that I am unalterably opposed to OPA in any way, shape, manner, or form. About 4 weeks ago, just before June 30, I recognized the fact that there might be some reason for extended remarks to be made concerning this measure because OPA was scheduled to expire or to die a natural death at midnight on June 30, and, while it seemed hopeless to be able to delay extension of that legislation long enough to cause OPA to die, I took a chance and did speak. I am not wholly responsible for the death of OPA, but I do claim credit for what little part I did play in causing OPA to die a natural death at midnight on June 30.

In taking the floor at that time it seemed to give renewed hope to many of our American citizens who had lost faith in their Government and lost hope of ever getting rid of OPA and some other New Deal bureaucrats and bureaucracies. The telegrams began to pour in from every nook and corner of this grand old Nation of ours, from those citizens. The telegrams came from citizens who did not belong to organizations which main-

tained lobbies in Washington and paid representatives to defend their interests or protect their interests. They did not come from those who had sufficient money to buy railroad tickets and come here and ask that OPA be abolished. They came from the rank and file of what I like to call the common citizens of this great Nation, because I am a common citizen myself; was born in the direst poverty, and was brought up rubbing shoulders with the common folk of this great Nation. I know their honesty, their hopes, their aspirations, their desire to do their part in maintaining our Government and protecting our Nation. Those telegrams came from families that had given their sons and their fathers and other relatives to the great cause of freedom in the recent war.

So I took occasion to read part of those telegrams on the Senate floor. I termed those telegrams the voice of the people. For a few hours I read those telegrams. Since then telegrams have continued to pour in to me, and I have many thousands of telegrams from the rank and file of the citizens of this great Nation expressing their disapproval of OPA, their hope that it would be killed, and their great joy in its death. They express the hope that it will never be revived.

Mr. President, I see no reason at this time to engage in lengthy debate, because there is at this time no deadline to meet. June 30 has passed. OPA died and is still dead. Lengthy debate can do no good now. It looks like it is simply taken for granted that this Nation must have a new OPA. I do not think anything can save us now from the infliction of that great calamity on this Nation by the reenactment of OPA. Nothing can save us but God Himself. I do not see for the life of me, Mr. President, why God would want to save us from that fate in view of the way Congress acts. He may have pity on us anyhow. I hope so. I pray that He will provide some means whereby this law will never be reenacted. That would have to be a miracle, however.

Before discussing the bill in detail I want to state again that I am a Democrat—not a New Deal Democrat, but a Jeffersonian Democrat. I come from the State of Texas, where we have many good Jeffersonian Democrats who are sick and tired of the New Deal dynasty which has almost ruined our Nation. I have always been a Democrat. I was born a Democrat. I lived in Republican States where I had to take the abuse which was hurled at me by a majority of the people because I was a Democrat. But I survived that. I finally wound up in the great State of Texas, which is Democratic. I found that my views on democracy coincided with those of the majority of the citizens of Texas. The good citizens of the great State of Texas in large numbers requested that I abandon my life in private enterprise, that of farming and ranching, and become their governor. They made good. We straightened out a few of the political kinks in the State of Texas while I was governor, and then I was sent to the Senate. So my record is complete as a Democrat, from the time I was born up to the present time.

I do not intend at this time to eulogize the Republican Party, but I do wish publicly to congratulate a young statesman on the other side of the aisle, the Senator from Nebraska [Mr. WHERRY], who rose above political affiliations today in the delivery of a statesmanlike message on the floor of the Senate, proving conclusively that he places his country above his political party. I think we shall hear more from that young statesman, because it requires a great deal of courage for a man in his capacity to stand up against great odds and contend for what he knows is absolutely right and best for the American people, even though he may not be supported by certain other members of his party.

The Senator from Nebraska made clear in his discussion today many points, two of which were outstanding. He made clear that it made little or no difference what was written into this measure if it should become law, because we know from past experience that those who administer the legislation pay absolutely no attention to what is written in the law. They are above the law, in their own estimation, and they administer OPA according to the way they think it should be administered. The Senator from Nebraska made that point perfectly clear, and I concur in his opinion.

He inadvertently brought out another fact, not specifically stating it as such, but making it perfectly clear that the issue before the Senate at the present time is purely and unequivocally a political issue. I do not know that every Member of the Senate would interpret OPA, as the conference report stands before us now, as a political issue. Each Senator has the right to interpret it as he pleases; but I interpret it as purely a political issue.

Regardless of how much I dislike to see it, OPA is recognized as a Democratic bureau, because the Democrats are supposed to be the controlling factor in our Government. The OPA monkey is on the back of the Democratic Party. Everyone should know that if he does not. I know it. I do not know that any Republican Senators have ever thought about it. I have not talked to them about it, but I consider that the political thing for the Republicans to do until the next election is keep the OPA monkey on the backs of the Democrats, because it will be a great factor in the coming elections. Consequently Republican Senators who have not given this question much consideration may be seriously thinking in favor of OPA, but it is my contention that whether they are serious or not, they are certainly doing their party no injustice in trying to reinstate OPA.

I would not accuse them of trying to sell out their Nation for the sake of their party. I do not think they would do that. But political strategy—and I do not believe anyone has accused Republican Senators of being entirely lacking in political strategy—would dictate that course. On the other hand, as I have stated, it is our baby, and we cannot turn it loose without losing the votes of all the Communists, Reds, radicals, black marketers, labor-leader racketeers, and a horde of other undesirable citizens who have swarmed into our party and are

trying not only to ruin our Nation but entirely to destroy the democracy handed down to us by the great founder of the Democratic Party, Thomas Jefferson.

That is the situation. It has become a political situation in my opinion whether anyone else so interprets it or not. That is the way I interpret it. That is the reason why we have this fight, which has gone on for many weeks. We have the OPA, and the Republicans want us to keep it. That is the reason why I publicly congratulate and commend the young statesman from Nebraska. I will not go into details by naming other Senators on that side of the aisle. I am doing pretty well when I congratulate one Republican.

Apparently the situation is so political that the people of the Nation will have to put up with it. We shall have to endure the destructive influence of OPA. We shall have to go without meat and butter, and get along with very few clothes. We shall have to do without a thousand and one things which the citizens of this Nation want now, the production of which has been thwarted or entirely stopped by the machinations of the OPA and other New Deal bureaus of this Government. It is bound to come. There is no way to stop it that I can see, except by a miracle. That was what almost stopped it before—that and President Truman's veto. I shall never understand why he vetoed the bill. It is not necessary that I understand it. I am glad that he did so. He certainly was either purposely or inadvertently doing everything he could to save the Democratic Party when he vetoed it. I hope that he vetoes the OPA measure the next time it comes before him, because I think it will get there. I do not see any way to stop it.

Mr. President, I do not know why nearly every Member of the Senate seems to think that we must have an OPA. There is no reason to have it at all. We got along without it for 150 or 160 years. Then we had it for a little more than 4 years, and it got us into a terrible condition. Now we are without it, and slowly and gradually returning to the American way of life. Slowly and gradually—yes, but gloriously. Down in east Texas the lumber industry is beginning to operate again. I have received word from Mr. T. G. Tilford down at Nacogdoches, and Mr. W. L. Johnson and Mr. Willard W. Johnson, over at Palestine, and what they say is borne out by a telegram I have received from Mr. Gene Ebersole of the Lumbermen's Association of Texas. Without OPA the lumber for housing was beginning to come through. On Monday, I rose to ask the Senator from Nebraska [Mr. WHERRY] if he knew of the situation in livestock on the San Antonio markets. I was reliably informed that cattle sold Saturday on that market were slightly under the maximum livestock ceiling prices of the former OPA, which meant that the Government has been wrong in their position, for this not only saves the payment of subsidies but makes it possible for retailers to sell their product at former ceiling prices. Today I have a telegram from the manager of the Fort Worth Stockyards, Mr. W. L. Pier,

who advises me that meat prices are dropping steadily due to supply and demand. The St. Louis Butter, Egg, and Poultry Exchange advises me, by telegram, that prices are steady and that supply and demand are beginning to operate. From down Florida way, the secretary of the Florida Feed Dealers Association, Mr. R. D. Jackson, informs me that meat, milk, poultry, eggs, and feed are all related and have been adjusting their prices since the death of OPA and he expresses grave fears if this new legislation is enacted. The same thought is echoed by Mr. Victor C. DeWein, president of the Illinois Feed Association. And the Texas Grain and Feed Dealers Association have expressed their continued opposition to any continuation of OPA policies and practices.

So we do not need OPA at all. But there seems to be a general impression that we ought to have it. Some Senators will perhaps say, "It is all right to have it if we can write an amendment into the law with our names attached to it." Some persons think it is all right if they can administer it, but that it is all wrong if the law is amended, or if someone else gets the credit for it.

So we now have before us an OPA measure. As was stated on the floor of the Senate a little while ago, there are 96 Senators, and 96 different interpretations of OPA.

Mr. President, as I was saying, it has been said on the floor of the Senate that this measure might have 96 different interpretations by 96 Senators. It is just a mass of words and a mass of confusion. But that will make no difference to the OPA, because the OPA will interpret it just as it wishes to do, and will go merrily on its way. The present situation reminds us something of the folks who, in ancient times, thought they could build a tower that would take them to heaven, so that they could go to heaven without being good while they were on earth. But they got so confused that they simply could not understand one another, and so they could not go ahead with that work. So that project was never completed.

This legislative project resembles that building project. There is so much confusion about it that no one understands anyone else, and we have another Tower of Babel. I hope the result will be that this legislation will never be completed and will never go to the President for his signature.

The OPA was first established by the late President Roosevelt. Shortly after the New Deal decided to strip the United States in order to supply foreign nations, through lend-lease, the theory of price control was brought into the picture. Executive Order 8734, which established the Office of Price Administration and Civilian Supply in the Executive Office of the President, was issued April 11, 1941. Now that the New Deal is still determined to strip the United States of the food-stuffs and other things essential to our economy, in order to give those things to foreign nations, we are still faced with price control. On March 11, 1941, the lend-lease bill was signed. One month later, on April 11, 1941, President Roose-

velt issued the Executive order which set up price control.

As long as the New Deal stays in power, Mr. President, in my judgment we shall have a constant effort to take away from the American people the things they should have and the things which our country can provide, and to give them away, and in that way to attempt to justify control of the American people in all their activities, and in that way to deprive them of the things that are produced in the United States. If the attempt is successful, those things will be given for the benefit of other people who not only do not appreciate them, but who abuse our Nation and our people.

As I have said, that Executive Order—No. 8734—was issued by President Roosevelt on April 11, 1941. The first paragraph of the order says:

By virtue of the authority vested in me by the Constitution and the statutes, and in order to define further the functions and duties of the Office for Emergency Management with respect to the national emergency—

Note that, Mr. President—

as declared by the President on September 8, 1939, for the purpose of avoiding profiteering and unwarranted price rises, and of facilitating an adequate supply and the equitable distribution of materials and commodities for civilian use, and finding that the stabilization of prices is in the interest of national defense and that this order is necessary to increase the efficiency of the defense program, it is hereby ordered:

Then the Executive order continues. That shows very conclusively, Mr. President, that the only reason for ever thinking about controlling prices in the United States was that we were in a state of national emergency preceding a war which most of those in authority knew would come.

Later, after the President instituted price control, he sent a message to Congress, on July 30, 1941, requesting the Congress to enact legislation stabilizing the prices of various commodities and rents. In that message he specifically stated that—

We are now spending more than \$30,000,000 a day on defense.

That is the way he characterized the request, and it was understood to be in its entirety a request for legislation on account of the national emergency which existed and the war which was to follow.

When that message reached the Congress, it was debated on the floor of the Senate. No one ever mentioned or even suggested on the floor of the Senate, to my knowledge, that it was to be an all-time affair, that we were to have the OPA and price fixing forever. It was understood and it was considered to be a war measure, and was so stated by many of the Senators on this floor. It was particularly stated by the then Senator from Missouri [Mr. Clark]. Senator Clark of Missouri said on January 10, 1942, as shown at page 237 of the CONGRESSIONAL RECORD:

MR. CLARK of Missouri. Mr. President, I will detain the Senate only a moment on this matter, but I feel that I should like to express my opinion about the amendment of the Senator from Ohio, and, incidentally, on the present state of the bill.

Listen to this, Mr. President. Senator Clark, of Missouri, was stating, I think, the opinion of every Senator on this floor:

Mr. President, this is a bill which is absolutely, or should be absolutely and peculiarly, a war measure. As I see it, the only justification for the Government of the United States ever to authorize a policy such as price fixing, which is entirely alien and antagonistic to our whole theory of government and of business and of our way of life, is as a war measure.

No one ever thought at that time that after our brave soldiers, both men and women, fought in all the different fields of battle and whipped every one of the Axis powers and every one of our foreign enemies, and drove them to their knees in absolute, unconditional surrender, we would still have fastened upon us, long after the war ended, this iniquitous price-control measure.

I have many other quotations which I am prepared to read to the Senate, but I think I shall not take the time of the Senate to read everything which was said, so far as I could find it, with reference to the fact that the OPA was entirely foreign to our American way of life in peacetime, and that it was adopted only as a war measure.

Mr. President, on previous occasions I have called attention to the wisdom of the Members of this great body, the Senate of the United States. There is no doubt that we have wise men here. But in discussing this OPA, they get involved in the details of a great many words and sentences and paragraphs and language that has various meanings. They discuss all that around and around, until, as I have said, they get so confused that no one knows what the provisions mean.

Mr. President, the issue today is not the further salaries of some 33,000 OPA political job-holders. The issue is not one between the President and the Congress, or between Republicans and Democrats. Today, we stand facing two possible courses of action, and the issue we face today is which of these two courses shall our Nation pursue. For the vote that we cast in this matter will commit our Nation and its people and our children and their children to an economic policy which shall determine the lives of those citizens yet unborn. The issue in this vote is, therefore, between two theories of economy; private endeavor or collectivism.

By our actions on this issue we shall determine if this Nation is to continue under the system of free enterprise or under a program of collectivism. For the economic forces of the past decade have brought us to a position where we must now restore our system of individual freedoms or virtually deny our form of constitutional democracy and take, along with economic planning and direction by Government, the revision of all our system of political and ethical philosophy.

For individual freedom of action in the economic field cannot be suppressed except by suppressing it also in those fields of human interest which are not economic, which otherwise would be used as a medium for nullifying the control sought for in the economic field. Religious and social freedom cannot exist in

association with economic collectivism. History has yet to show a single instance of economic concurrently or subsequently by suppression of every form of freedom of action and individual liberty.

Therefore, Mr. President, the issue today is whether we shall continue to live under the system that has given us freedom and dignity—or whether we shall vote to overthrow our system of government. For when we vote to pursue a course of economic collectivism, we inevitably cast our vote for a departure from democracy and toward political collectivism as well. Such a political collectivism in the other nations has been identified by various labels. In Russia it is called communism, in Italy it was called fascism, and in Germany it was called nazism. It existed in feudal form in Japan. Today it has become a sort of materialistic credo for the credulous who permit their wishes to overcome their knowledge. In the United States it became the New Deal, and the citizen gave way to the platitudes of political promises nor heeded the rumble of the distant drum. And today we are at the day of decision; today we have reached what the navigator has come to call the point of no return. We must embark on a course of collectivism or we must correct our course to regain the safe passage of democratic free human endeavor. Our vote on this issue will decide. The men in this Chamber today will become either the heroes of future generations or the forgotten pallbearers of personal liberties.

Collectivism is that form of social organization that creates dependence upon government and discourages individual initiative and self-reliance. In its economic aspects it is characterized by either control or ownership of the facilities of production and distribution. In its final form the facilities of living also are owned and controlled by Government. It substitutes for the voluntary division of labor and assigned or allocated division of labor, this being an essential concomitant of controlled production, for the control of production necessarily carries with it the allocation of employment. And because production cannot be controlled unless distribution is also controlled, collectivism also substitutes for the free exchange of goods a controlled exchange involving rationing, quotas, and allocations. And for the institution of private property, guaranteed under our charter of authority, the Constitution of the United States, collectivism substitutes the concept of publically owned property or privately owned property politically controlled.

Briefly, Mr. President, let us examine the implications of such a departure from democracy. Such a political control over economy is basically a question of ownership of production facilities. It involves the question as to whom shall it be who will furnish the capital resources required by the economy? Shall it be private citizens through the accumulation and investment of their savings in private enterprise, or shall it be the Government through the accumulation of capital resources by taxation for the creation of public and political ownership? Private ownership secures the invest-

ments of citizens through the hope for gain, through the hope for private improvement. Returns are based on the investment of capital representing thrift and conservation of the fruits of their labors. Government ownership demands the investments of citizens through compulsory taxation. Returns are based on public services determined by the political bosses in power. These private earnings of the citizens are used, theoretically, for the benefit of the collective citizenry, but such a theory must be tempered by the realism of political expediency. Thus, governmental control or ownership is inexorably based upon the taxation of the citizens for the benefit of various politically potent minorities.

How shall this departure from democracy effect our production of goods and services for the citizen? We need not look to the records of Germany or Italy or Russia or Japan, for the answer—for here in America we have the example of the New Deal for examination. The question must be answered: Shall we work toward economic production or politically controlled production? The size and complexity of present-day production units are already so great as to tax the intellectual capacity of man to grasp, assimilate, and deal with. If these characteristics of size and complexities have become so marked under our system of private enterprise, what would be the effect upon them of public enterprise or of national economic control?

Prior to the New Deal, our people had moved toward the regulation and decentralization of our economic patterns. Regulation and control are two very different functions. Regulation functions from the outside and fixes in advance the rules of procedure impartially and applicable to all. Control penetrates into the interior and becomes a part of managerial authority. Regulation and decentralization was achieved through the Sherman Antitrust Act, the Clayton Fair Trade Practice Act, the regulatory laws for public utilities, rail rates, and certain periodic attempts to peg agricultural prices. Collectivism is achieved through the control granted under the old NIRA, the Wagner Act, the OPA, and the proposed bills for Federal control of our educational systems, for nationalized medicine, for federally subsidized and directed housing program, and through the various restrictions on investment capital in production work.

The question to be answered, Mr. President, is whether we shall secure production through regulation and private endeavor or through politically controlled work and Government ownership? Will proper understanding and a healthy development of our economic life come from massing the control of these activities together into ever-larger aggregates under centralized governmental bureaus politically organized, or by diffusion of this control throughout the entire social group of our citizenry by continued emphasis upon decentralization? If the business activity consists of thousands of individual transactions, each subject to separate judgment and decision, the

composite judgment is likely to be in the right direction. Being diverse, there will only be individual failures amply compensated for by many individual successes. Those individuals, free to exercise their own judgment, can overcome potential failure by responding to environment and circumstances and following the correct course. For the flexibility of free independent endeavor not only permits but encourages such action. If, however, these individual transactions are enclosed within the frame of rigid governmental control, based on a national economic plan enforced by the coercion of law, progress will be in the right direction only so long as the small central bureaucracy who conceives and directs the plan is right. When the bureaucracy is wrong, the resulting error will be of such magnitude and intensity as to be catastrophic in effect upon the economy and the safety of the entire Nation.

Mr. President, the resulting error of the OPA is evidence in support of this analysis. Never before have our people been so close to real hunger. Never before has actual shortage of food and goods threatened our people and their security.

And as the production of goods is controlled under a collective system, so also is the distribution of those goods and services to be controlled by governmental experts. The question that must be answered in the vote to be taken is, then, who shall determine the character and quantity of goods and services to be consumed by each citizen? Who shall determine the food or the clothing necessary to the citizen? Shall it be the citizen himself and the members of his immediate family—or shall it be a bureaucratic Government by means of coercion, quotas, ration stamps, and allocations?

Under the American system of enterprise the distribution of goods and services was moving toward a correction of earlier discriminations. Antitrust laws and fair trade practices were adopted. Regulatory bodies were created to prevent debased standards in food products, dilutions, and freight rate inequities. Action was in the direction of the elimination of unfair distribution.

Under political collectivism the distribution of goods and services is controlled by political consideration. Antitrust laws and fair trade practice laws are abrogated. Food standards are debased and lowered, dilutions are ordered, and freight rate inequities are retained. Political considerations replace economic principles.

Therefore, I repeat, Mr. President, the question involved in the vote on this issue is who shall determine the character and the quantity of goods and services to be consumed by each citizen. Who shall determine the food or the clothing necessary to each person? Shall it be the citizen himself and the immediate members of his family or shall it be a little algebraic tribe of neo-economists ensconced in a governmental bureau, empowered with the authority of coercive regulations—of quotas, ration stamps, and allocations?

And as the production and the distribution of all goods must be earned by the labors of the citizen, the individual as a

worker must fully understand his status in a collective economy. For the two great motivating impulses of man in the economic field are hope and fear. In America man's labors are stimulated through hope of acquiring, owning, and enjoying the fruits of his individual accomplishment. Collectivism cannot employ hope in similarly stimulating effort, because by its very nature it deprives the individual of the right to acquire and own the products of endeavor. Under collectivism the stimulation of labor has been through fear of starvation and punishment. Labor becomes compulsory. The voluntary division of labor attained under the American system of free enterprise is replaced by an assigned or allocated division of labor. Collectivism produces compulsory labor and the citizen becomes a slave.

Therefore, Mr. President, I desire to repeat the statement I made when I began these remarks: The issue involved in this vote is not the further salaries of some 33,000 OPA political jobholders. The issue is not one between the President and the Congress, nor between Republicans and Democrats. The issue is between two theories of economics—collectivism or free endeavor.

By the vote of the Senate, we shall be determining if we are to have a system of economy in America that will guarantee the citizen a right to own property or if he will be deprived of this constitutional right. We shall be determining whether we have political production or economic production. We shall be deciding if we are to have a free determination of the food and clothing necessary for our citizens or whether that selection and amount shall be determined for the citizen by a politically chosen bureau. We shall be determining if the working men and women of this Nation shall earn and retain the fruits of their labors or if they shall become compulsory servants in a politically controlled economic kingdom.

The decision to be made by the vote in the Senate on this question will determine if we shall condone the departure from democracy and acquiesce in anarchy. This vote may do to our Republic what all the legions of Hitler could never do—this communistic, cockeyed philosophy of government may, in fact, it eventually will, unless stopped, overthrow our system of constitutional government.

But to boil the thing right down to the common language of America, it simply means that the public officials who dominate this Government have lost confidence in the wisdom and ability of the rank and file of American citizens to conduct their own business.

I, for one, have not lost that confidence. I still have it in the rank and file of the American people, and I think they have done a swell job in carving out of the wilderness the greatest Nation the world has ever known. They did it without the benefit of the wisdom of the New Deal bureaucrats which, for the past 13 years, have been endeavoring to destroy this great Nation and overthrow our American form of government. I will cling to the rank and file of the American people.

Mr. President, I have always considered that an American citizen had the right to own property. After we complete the discussion of all the details and confused paragraphs of this monstrosity which is now pending before us, we will get back to the question of whether Mrs. O'Leary has lost her right to own a cow, milk it, skim the milk, take the cream and churn it into butter, and take the butter to town and sell it. That is a right we are about to give away. We are about to deprive Mrs. O'Leary of her right to own that cow, and sell the butter which she may make from the milk which the cow produces. We are taking that right away through this pending legislation.

Mr. President, when we take Mrs. O'Leary's rights away from her, at the same time we take away many other rights. Mrs. O'Leary, out on the plains, does not belong to any organization which has high-power representatives in Washington for the purpose of protecting her rights, so I am standing here on the floor of the Senate in an endeavor to protect those rights for her. If she owns that cow and works hard and wishes to sell the products from that cow, she should have the right to do so.

I know what it means to live in the country and work hard. I lived on a ranch when I was a boy. I know how hard my father worked on that ranch in feeding thousands of head of livestock and in planting and harvesting the feed which the livestock consumed. During those 17 years of hard work which, in the end, netted nothing except a debt which grew greater and greater as time went on, my mother had a cow and some chickens. The milk which the cow furnished, together with the eggs, the butter, and the chickens, represented the only sources of revenue which the family had for use in buying books and clothes for the children so that they could go to school. My mother was poor and she worked out her life in poverty and hard drudgery for her children. But she had American freedom, American liberty, and the American right to work and to own property, and sell whatever she had for any price she could obtain for it.

Mr. President, these great men of wisdom in the United States Senate are right on the verge of taking rights away from the American people so that when Mrs. O'Leary takes that pound of butter to town, as well as the eggs which her chickens produce, she will not be able to get for them the price which purchasers might be willing to pay. She may meet the banker or someone whom she knows well, with wealth but with no butter, and she will be in a position to sell the butter to him. Every penny that she can get for that pound of butter means something to her. The banker says, "Well, that is a beautiful pound of butter." She has put it in a mold and it came out of the mold with a flower on top of it. It was 1 pound of butter. The banker says, "I will give you a dollar for it." He has a dollar and she needs it. She has the butter and he does not have any. But the Congress of the United States says, "No, Mrs. O'Leary, you cannot take that dollar, you must take only 52 cents, or 62 cents, or 78 cents." She may take

only the amount which some bureaucrat in Washington says that she may take. And yet, Mr. President, it is said that that bureaucrat is trying to protect Mrs. O'Leary from inflation. The only inflation we have in this country is the inflation which is in the minds and hearts of the bureaucrats in Washington. I hope that they may become more inflated. I hope that they will become inflated to the busting point, and then perhaps the Congress will turn this Government back to the people and will recognize the fact that Government officials and employees are servants of the people of this country and not their masters.

We are not satisfied at this time, Mr. President, with having a bureaucrat as the Administrator of the OPA. It is proposed to have a board to consist of three members. Mr. President, you cannot change a bureaucrat by putting three of them in a pen together any more than you can change a hog or a bull on the farm by putting three of them together. They are still hogs or bulls or bureaucrats. [Laughter.] The only reason I can discover, Mr. President, for setting up this board of three members—to consist of three big fat bureaucrats—is the way the elections have been going throughout the country. The elections apparently will result in the New Dealers being turned out of office throughout the country. Bureaucrats must be taken care of, and defeated candidates must be given new berths when the New Deal is defeated.

Mr. President, we are getting back to the political phase of the situation. Yesterday, in Oklahoma, three incumbent Democrats were turned down by the voters en-masse. They were candidates for the office of Representative in the United States Congress. I know one of them. He is a mighty nice fellow, and my sympathies are with all of them because they are Democrats. I do not know whether they were in favor of the New Deal or opposed to it, but I assert that the Democratic Party has the stamp of the New Deal on its forehead, and the people back home do not ask whether a candidate has been in favor of the New Deal or opposed to it; they defeat him anyway. As I have said, three candidates were defeated in Oklahoma. The people had the record of those candidates who were already in Washington, and they decided to nominate some new Democrats. It is now proposed to establish a Decontrol Board to consist of three. After a while the Board will be increased to 6, or 9, or 12, or 15 in order to take care of the defeated Democrats who are loyal adherents of the New Deal.

Mr. President, we must look at both sides of the situation. Some of the more optimistic Senators have been talking about how nice this measure will be. I will not call any names or cast any insinuations. I will not impugn the motives of any person, especially a United States Senator. I will not do that, I assure Senators. It would be against the rule. But I do assert that while some of the Senators have said we can expect this Board will do the right thing and be perfectly honest, we must not place our confidence in them. I will stand square on the basis of the philoso-

phy of Thomas Jefferson. I shall not trust bureaucrats to do the right thing. I shall always go on the theory that they will do the wrong thing. Thomas Jefferson said:

Do not put any confidence in men. Bind them down by the chains of the Constitution.

There are many honest men and many honest women in this country, but I am not willing to completely put my trust in the ones who will be appointed on this board of bureaucrats which will run the OPA. I may say further, Mr. President, that it is my honest opinion that no honest man would accept appointment on the Board. At least, he would not accept appointment on the Board if he had sense enough to know what would be his responsibilities. He will be placed on the Board for the express purpose of destroying our American form of government. I have already made the statement that the OPA was established as a machine for that express purpose, and the record shows that my prophecy was correct.

They have done more to overthrow our American form of Government than any other department of the New Deal. These three members of this Board, according to the new bill, which has not been passed but it looks as if it is going to be, do not even have to be confirmed by the Senate until a considerable period of time has elapsed should the Congress adjourn before the appointments are made. The President can appoint them. The President may try to get some honest men, but he is going to have difficulty because an honest man will not take the job. It is an impossible job. I do not care how smart anyone is; he may have the wisdom of Solomon, but he cannot administer OPA under our form of Government. If there is anything that is impossible, that is it. It just cannot be done, because by it the Government would take away from Mrs. O'Leary the right to say what she will take for her pound of butter. That is not Americanism. No honest man would take the administrative task of administering a dishonest law like that.

We might absolve ourselves of any bad intention by saying we are passing this law and we believe it will be honestly administered. Men may say that if they so desire. I believe it will be dishonestly administered, and I say that because it has been dishonestly administered.

I am not going to place the blame on Chester Bowles or Leon Henderson. I said from the start, and it is right there on the book, January 8, 1942, when I was talking about the first OPA bill before we enacted it, that I did not know who the Administrator was going to be, but thought that possibly before we got through with it we would have many different Administrators. There is no use blaming them. They are hired for a purpose, and if they do not perform, they are fired. They did not keep Senator Brown there very long. Senator Brown was an honest man, in my opinion. He did not stay with them very long. Some of the boys who are hired in these bureaus have to make a living, I suppose. Do not blame them. Let us look at the

law, and see what kind of a law we passed.

I said in 1942 that the law laid the door open for the biggest racketeering and biggest black marketing and gambling we ever had in this country, the most terrible outbreak of lawlessness. It will be much worse under the new board. You can put the blame on one Administrator, but get three, and then on whom will you lay the blame? They are going to dodge the issue. It is not going to be a Decontrol Board, but it will decontrol, recontrol, uncontrol, control, anything they want to do.

What are they going to do? They might act themselves, and they may do so, but they are going to have a few friends around who go out to a big party and get loved up by the women, who like to speculate. They are going to have a swarm of these speculators who will know in advance when they will raise the price on a commodity, and they will get in there and buy the commodity and get the benefit of the advance. They will get a tip-off and take the profit, and this Decontrol Board will say, "We are going to control it again, we are going to put it back down." They will have the prices running up and down faster than a squirrel running up and down a tree.

It will make possible the most crooked administration of any bureau that was ever set up. It is placing the control of prices on everything in America in the hands of three men. Not only that, but it is in my judgment going to become a great scandal and instrument of corruption. I am making this as a prophecy, and if you do not believe I know how to prophecy—and I am not bragging about it, but I am glad I said it—go back and see what I said on January 8, 1942, would happen if we passed the OPA bill. Everything I said would happen did happen. Everything I prophesied was something bad, and everything that has happened has been bad, but things are going to get a lot worse.

Set up this board and give them the power and the opportunity to dodge responsibility, give them the power to run the cotton market up, to run the wheat market up, and the prices of hogs and cattle up, and run them back down again, and you destroy production, and you are going to make possible a lot of corruption. There is already a lot of it, but I think conditions can get worse and, under a law such as this, certainly will.

I believe another thing will happen. Some folks may not believe this, but I have a right to believe it, and I am a Senator and have a right to say it. I am not making any accusations at all, but I say, based on what I know, that I am firmly convinced that when the cold steel pen of the unbiased historian writes the record of the New Deal Administration, it will go down in the pages of history as the most corrupt government that ever governed any nation on the face of the earth at any time. We are seeing some signs in the newspapers of what has been done, but to use a colloquial expression you ain't seen nothing yet.

OPA is bad. That is what I am trying to tell the Senate. It is bad because it is unconstitutional, it is un-American,

it is communistic, it is socialistic, and it is destroying everything Americans hold dear.

I know there are some good Americans citizens who favor OPA, and I am not going to criticize the good ones, but I am going to ask them to look into this thing a little further. You do not have to be a fool to be fooled. Some of the wisest people are fooled, and some very wise people and some mighty good citizens are fooled about this thing.

Mr. President, a Socialist could not be elected President of the United States. One never has been elected. The people simply do not believe in socialism—at least not very many of them do—to the extent of going to the polls and voting the Socialist ticket, but whenever you say you believe in OPA, you are advocating socialism in America; you are advocating that your great Government use the arm of the law to go down into the pocket of Mrs. O'Leary and open it and take out the money from her pocket and give it to some rich man on Wall Street in the price of butter. That is pure socialism, issuing some bonds and taking the proceeds of the bonds and spending them for subsidies, giving them away.

To whom are they to be given? The subsidies are given to many people, but it is my belief that most of the subsidies go to the friends of the New Dealers, the black-marketeers. How do they get to those black-marketeers? They do not write out a check and give it to them. No; they do not do anything on the level. They pay the subsidy check to the processor, which is supposed to represent the difference between what he paid for the commodity and what he sells it for; in other words, to represent his loss, so that he can sell it for less than what he paid for it.

Let us say it is 17 cents a pound on butter, for illustration. The processor gets that 17 cents a pound, he sells the butter for 17 cents less than it cost him. To whom does he sell it? He sells some to legitimate merchants, but it is believed by many that he sells the most of it to the black marketeers. How are you going to know who they are? Go to any of the grocery stores in Washington and walk in. You would not have argued with them before OPA died. If you could get a little bit of a quarter of a pound of butter, you were not going to argue about 25 cents. The merchant did not look like a black marketer. Some of them are, we all know. Therefore, a large part of the subsidy that is paid out—most of it, I believe; I do not know the percentage, there is no way to check it, but I would say most of it—goes indirectly into the profits of the black marketeers. That is where it goes. No one can deny that. After all, a survey showed that, shortly before OPA died, 80 percent of all the meat was sold in the black market.

Many of those fellows do not make out any income tax returns. So the whole bill is just something to encourage lawlessness, and, inadvertently, to make a potential lawbreaker out of every American citizen.

Talk about juvenile delinquency. Why would we not have juvenile delinquency when the children go with their mothers and fathers to do the shopping and know that mother and dad are dealing in the black market contrary to law? What are they going to think about them when they see that disregard for law? Some do not think it amounts to anything, but it does.

I know that there are many honest citizens in this country who have simply been fooled by the laws which have been passed by the New Deal administration. You get in your automobile and start down the street, the speed limit being 30 miles an hour, and you hear the putt-putt of the motorcycle police coming down the street behind you, and old fear takes hold of you right then, and you look at your speedometer and you find that you are exceeding the speed limit, and you slow down kind of gradually, not too fast so it will be noticeable, but you are violating the law, and you have respect for the law in your heart. That respect, however, is disappearing. The more you violate the law the more callous your conscience becomes. Morality appears to be at a low ebb today in this country. Lawlessness is increasing. So is juvenile delinquency. It is all nurtured and brought about largely by the corrupt leadership of this New Deal gang.

Before that, Mr. President, we had a wonderful country. We want to get it back again. But we are not going to get it back again by going in the wrong direction and passing laws like this. We do not need this law. We can get along all right without it.

Mr. President, in the heat of debate and haste to destroy our Government today by rushing through this monstrosity of a bill, it might be well to remember the signs of hysteria that gripped this body yesterday while we were considering the means of paying off an honest debt to the soldiers who saved us from foreign foes and who had been overlooked while others in the services had been paid. I became fearful as I heard Senators discuss the terrible and deplorable condition of our voluntary system. We are on the verge of going to the bow wows. The Secretary of the Treasury and the Bureau of the Budget and the big boys in the administration say our money is getting so low that we cannot pay these boys in money. No, we cannot pay them in money. We have to pay them in I O U's. We are out of money. We have to pay the boys with autographed pictures of our United States Treasury Building. Yesterday we were simply in a terrible fix. It is a good thing that the hysteria did not grab the Congress a few days earlier when John Bull, the British Government, was pounding at the teller's window here for \$3,750,000,000. We had plenty of money then. If we had just been notified by the Secretary of the Treasury and the Bureau of the Budget before we passed the British loan measure, we might have paid Britain off with Confederate currency, or autographs of bureaucrats, or anything except money. Oh, no; we had plenty of money when it was going to be given away to some foreign country.

Now, Senators, look at what we have before us today. We have another measure before us today and it requires money. What are we going to do? Yesterday we did not have any. It was all gone. The printing presses had broken down. We were entirely out of money. Just after we had paid John Bull \$3,750,000,000, then the boys come along and want to get the little balance that we owe them, the boys who went overseas and fought for us, and were lucky enough to get back alive. They wanted to get their money. But then it was said "Oh no, boys, we are out of money. We will take these pieces of paper with pictures on them and have bureaucrats' autographs put on them and give them to you." It was said that that measure would be inflationary. But now we have a measure before us today which requires \$1,000,000,000 to be expended. The OPA admits it will require \$1,000,000,000, and that means of course that it will require two or three billion dollars, because they never admit to as much as will be required. Mr. President, with what are we going to pay these subsidies? With potatoes? We have to look around and find something else to use for money. I heard someone say we had a surplus of potatoes. Perhaps we can pay subsidies with potatoes.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SWIFT in the chair). Does the Senator from Texas yield to the Senator from Minnesota?

Mr. O'DANIEL. I shall be delighted to yield for a question.

Mr. SHIPSTEAD. Does not the Senator realize that there will never be a shortage of money so long as the poplar and the spruce lasts in northern Minnesota, Wisconsin, and Canada? They make good paper.

Mr. O'DANIEL. I recognize that, Mr. President, but I am not going to let the Senator from Minnesota get away with the suggestion that pulp from Minnesota provides all the paper that is used, because we produce wood pulp in Texas.

Mr. SHIPSTEAD. Well, that adds to the supply of money.

Mr. O'DANIEL. That adds to the supply. It took a great deal of the supply of pulp and paper for OPA propaganda, and we ran short of paper. We cannot print any more money. We are out of currency.

Mr. SHIPSTEAD. Short on paper?

Mr. O'DANIEL. Yes; that is what is said. It was contended that we cannot pay the boys in currency because we are short on money. I guess they have some kind of paper down there on which to print the autographs. We now have a measure before us which is going to require a great deal of money if we pass it.

Mr. President, there is a way to prevent all this, to keep out of all this trouble I am talking about, and that is to vote down the conference report.

When I discussed this matter after OPA expired, when we received the House joint resolution and amended it, and it had to go to conference, I expressed the pious hope that the conference committee would not make a

farce out of our legislative machinery. Well, in my opinion, the conferees tried their best to do it, but they did not quite make the grade. If our legislative machinery is going to turn out to be a farce, it is we ourselves in Congress who will conduct that operation. What the conferees labored and brought forth is now back in the Senate. It is now up to us to act. We cannot lay the blame on the conferees. We have a right to turn down the conference report. Whether it is good or whether it is bad, we have that right. So we cannot blame the conference committee for making a farce out of our legislative machinery. It is like the old man who got mad at his wife, and was talking to her. He said, "You are trying to make a fool out of me." She kind of smiled and said, "No; I am too late. You did that yourself." So that is the way with this matter. The conference committee cannot make a farce out of our legislative machinery. If a farce is to be made of it, we ourselves must do it, and in my opinion we will be doing it if we pass this OPA legislation.

Mr. President, it was brought out on the floor of the Senate today and has been brought out every day by the Senator from Nebraska [Mr. WHERRY] that an enormous number of cattle and hogs, and other livestock, were being rushed into the market when the farmers found out that OPA was dead. They then began to pour their livestock into the market. The meat has now seeped through the usual channels and is coming to the meat market now. But what I want to point out is that dead cows do not eat grain, and dead hogs do not eat grain. We have been talking about a grain shortage. Part of that grain shortage was caused by the livestock backing up in the feed lots because the feeders were not willing to sell them at OPA prices, and they had to feed that livestock. That required a great deal of grain. As soon as those animals are slaughtered it stopped that much feeding of grain. That is going to give us a more abundant supply of grain to take care of the poultry in those sections of the United States where the shortage of poultry feed has been discussed on the floor of the Senate. If we permit the law of supply and demand to prevail we will do well.

Mr. President, we do not hear of the housewife paying exorbitant prices for anything. She has common sense. I wish the housewives were in the Senate and we were out there doing their work. They would fix this OPA measure. I think they have more sense than we have. They have kept prices under control. The housewives and other buyers have kept the prices of this Nation under control for 150 years. We have had 2½ years of OPA, and everything got out of joint, everything got out of line. Now we have been free of OPA control for 24 days, and a pretty good job has been done under the old law of supply and demand. The farmer and the stock raiser is satisfied because he has an open market. That is what he wants. If he simply has the hope of receiving more for his produce he will produce. He will be disappointed this year under the normal market of supply and demand, but

that will not stop him. He will try it another year. But when we set down definitely what he is going to get, and he knows he is not going to get his cost of production, he is not going to plant.

The farmer is the most independent individual in the whole country. That is the reason why the New Deal is trying to destroy agriculture in this country—because the farmers are independent. They think for themselves. When I said the New Deal is trying to destroy them, I mean all the New Deal has done is to run 5,000,000 of them off the farms. First, they put them under OPA, and if they did not starve them to death, then, after the war came, they put them in the Army, and 5,000,000 or more are off the farms.

I do not know whether everyone listening to me knows of the plans of the New Deal or not. They have various ramifications, but one function of the New Deal is to destroy agriculture, and for two purposes. The first purpose is to run the independent farmers off the farms where they have control of themselves and they feel like they are masters of the situation out there, and run them into the cities where they can regiment them, and get them into certain communistic labor unions, and tell them when to get up, and when to go to work, and what wages they will get, and what store they will buy at, and how much of that they can have and how much of this they can have. They can control them—and control their votes, too. That is the reason why they are trying to destroy agriculture and run the farmers off the farms.

When we were speaking here the other day about paying the boys off with autographed pictures instead of money it was said that that was recommended by the Treasury Department and the Bureau of the Budget. It was said that we must do that or have inflation, because there is so much money in the country. I looked up the figures. There is a great deal of money in circulation—approximately \$23,000,000,000. The Bureau of the Budget says, "We cannot turn the boys loose with this money. They would start spending it right and left, and bring on more inflation. We must pay them off in autographed pictures."

Then one Senator started to explain that that was what the Bureau of the Budget and the Treasury Department had said in 1933. I looked up the figures showing the amount of money in circulation when we paid the bonus in bonds. There was only about \$6,000,000,000. We had deflation then, and we have inflation now. Both extremes are used as an argument against paying the boys off in cash. That shows how the New Deal bureaucrats in the Treasury and the Bureau of the Budget work both sides of the street.

I could say a great deal more, but I do not see any use in delaying this game. I wished to make these few remarks so that the RECORD would show that there is at least one Senator on this side of the aisle who is against this skulduggery. There may be more, but there is at least one.

Mr. President, I believe that the conference report should be rejected. I do

not believe that we need OPA. I think we could get along better without it. If we do not reject it now, how are we ever going to get rid of OPA? As one man wrote me, you cannot sober up a drunk by continuing to pour whiskey down his throat. We cannot get rid of OPA by continually renewing, extending, or reinstating it.

We are having a very pleasant time in this country now. Even some of the newspapers which favored OPA are trying to outdo each other by writing editorials showing how pleasant it is since we got rid of OPA, and how everything is going along all right. One can go to the butcher shop and get butter, meat, and eggs. The people can buy clothes, and many other things at prices no higher than they were under OPA, taking into consideration the subsidies.

Of course, many persons do not understand subsidies. The name "subsidy" is a very pleasant sounding word. It sounds almost good enough to eat, but we cannot eat it. When one buys a pound of butter the Government helps to pay for it. That means that he gets the bill from the Government, not only for what it paid, but for compound interest, because everyone knows that we shall never be able to pay the debt. All the money which is borrowed and paid out in the form of subsidies is added to the huge public debt we already have. It immediately begins to draw interest, and there are handling charges and other expenses. So we are paying part of the price at the grocery store and part of it at the Treasury Department in income taxes, and all paid as income tax also carries a substantial overhead charge.

There may be some who do not realize just what subsidies are, but their children and grandchildren will find out what they are. When you are dead and gone and a big tombstone marks your final resting place, your children will throw rotten eggs at that tombstone every time they receive a bill from the Treasury Department for taxes to pay subsidies on the butter and meat which you ate and charged up to them. Our grandchildren will not have the same love of their forefathers that we have for our forefathers. One should remember that. He had better not have a tombstone erected over his grave, so that there will be no means of identification to enable his posterity to find him.

We talk about fickle financing. There never was a stock promotion or blue-sky financing in any part of the world which in any way compares with the New Deal fickle financing. So far the New Dealers have made it stick. But the people are getting wise. Yesterday I received a telegram from a man living in Chicago. His name is Robert A. Stough and he lives at 608 South Dearborn. Mr. Stough posed the question: "If living unearned income caused 1929 crash, what kind of crash will continued Government deficit spending cause? Why not save expense OPA and black market costs?" Yes, the people are getting wise to the New Deal. But they still have support. Of course the New Deal has support. It does not get it by logic, eloquence, or common sense.

It gets it by buying it, the only way it ever got anything. It prints the money or borrows it, charges it up to us, and gives it back to us, and says, "Please vote for me." The people put the New Deal in power, and it is still in power. But it is going out fast. I do not see any way to save this country until every New Dealer is run out of Washington. I should like to place a great chain and padlock on every one of the bureaus. Before closing them up I would throw in some DDT, after giving those inside an opportunity to get out and go back home and enjoy themselves. We do not want any casualties.

Let us close these great mausoleums and lock them up. Let us make this city look like the Deserted Village. Anyone who came here and wanted to know where America was could be told, "It is back there on the broad acres where the people live, and not here in this international city." That is what I should like to see. But we are not going to accomplish it by putting three bureaucrats in the place of one.

I had some additional material to read, to show that OPA does not know that it is out of business. It is still doing business at the same old stand. The people of Texas still receive letters, regulations, rules, and instructions from OPA, telling them how to operate their businesses. The OPA does not know that it is out of business. It is still on the telephone calling up housewives and saying, "Be sure to wire your Congressman to put us back in business." To use an expression of President Truman's, they are at the "battle stations." Perhaps that is the reason why Congress does not know that the war is over. Everyone knows it but Congress, and here we are in a state of war—a war with OPA, I suppose.

I have received a letter from Paul Porter, OPA Administrator, dated July 22. He is still in business. Until the OPA went out of business it was difficult to get replies from him. I wrote him a letter on June 14, and he answered it on July 22. He is catching up with his correspondence during this breathing spell.

Here is a letter from a lady in Austin, Tex. I shall not read her name, because the OPA would pounce on her and put her in jail if I were to read her name. The letter is dated July 11. It reads in part as follows:

I am enclosing two items I received in the mail this morning, although the OPA expired on June 30, 1946. We must be paying the wages of the 68,000—

I do not know whether that number is correct, but that is what she says in the letter—

We must be paying the wages of the 68,000 snoopers, and the taxpayers are paying for the printing and mailing of the forms and circulars. Why should we be forced to even open mail that has not any meaning?

Here are all the instructions, telling us how to operate a grocery store. There is an envelope full of material. I will wager that Paul Porter would be mad if he knew that that material was sent up here without reading. That lady was so glad to get rid of it that she spent 15 cents to send it to me.

The OPA does not know that it is out of business. Perhaps it is not. It does not seem so, judging from the way this measure is going through Congress. The OPA will be back on the job.

Mr. President, here is another letter. It comes from Oceanside, Calif., and is written on stationery of the Office of Price Administration. It reads in part as follows:

OFFICE OF PRICE ADMINISTRATION,
Oceanside, Calif., July 8, 1946.
Senator O'DANIEL,
Washington, D. C.

DEAR SENATOR O'DANIEL: Will you please take time to read the enclosed cases that actually happened in the OPA office that I managed for a year in Oceanside, where I had 3,000 rent registrations.

She goes on to record what she did while she was there.

Mr. President, I have a number of other letters and a number of advertisements. One of them reads:

Throw out OPA, and give America back to the people.

Well, we did it. That is one thing we accomplished. We did it the hard way. I introduced a resolution, a long "me ago, to abolish the OPA, but it got hid under a rug in some committee, or it fell down behind a desk, or something else happened to it. At any rate, it never got back to the Senate. However, it got passed anyhow, with the help of God and Mr. Truman.

A great many of these telegrams have come from people who seem to appreciate what I have done up here in prolonging this thing until the OPA expired, and they have sent me some mighty fine letters.

Here is one of them that I shall read, because it comes from the dean member of the Texas House of Representatives. He was in the House of Representatives when I was Governor of Texas. We did not always see eye to eye, but it is nice to get converts, and I wish to read his letter. I prize it highly. It just came to me. It is dated July 17; and it is marked "Personal and Confidential," so I do not want any of you folks to tell anybody. [Laughter.]

Mr. President, here is the letter:

PORT NECHES, TEX., July 17, 1946.
Hon. W. LEE O'DANIEL,
United States Senate, Washington, D. C.

DEAR SENATOR O'DANIEL: Though we may have privately differed at times in the matter of methods, I have never had reason to complain about your courage; or about your loyalty to the heritage which national and State constitutions sought to bequeath to the people of America.

While your efforts against the trend into chaos, as symbolized by the term "New Deal," might be said to be opposed to the wishes of the majority, their separate spheres of selfishness, lack of responsibility, levels of inertia and ignorance considered, you have earned the self-respect and peace of conscience that associates with certainty that you have fought in behalf of the right, and the best interests of a Nation and its people.

I want you to know that as far as I am concerned, your dimensions are singularly impressive in a field where little other is to be seen, than the yielding of convictions and character to the emoluments of office and the stress of mob rule.

Thinking of America as it was—the framework of implements, principles, and prac-

tices upon which it ascended to the pinnacle of accomplishment—and thinking of the America of today, thrown back generations by a shameful catalog of governmentally imposed interferences and restraints, the excuses of those who stay the death of OPA, the Wagner Labor Act, and the other implementations of chaos and decay, no longer, to my mind partake even of appeasement the sorriest of substance.

I congratulate you, Senator, upon your dimensions as a statesman.

Yours very truly,

C. E. NICHOLSON,
Dean, Member of the Texas House of Representatives.

Mr. President, I know something about the destruction wrought by the OPA, because citizens of my State engaged in practically every line of industry have written to me and have explained how they have been penalized and put out of business. I have talked to officials in the OPA offices in Washington, where I have found very little sympathy toward private enterprise, but where I could detect a smile of satisfaction whenever the OPA officials received definite assurance or proof that they were putting somebody out of business. I know what the attitude down there is; no one need tell me that.

I wish to read a letter which shows the extent to which a citizen in my State went to try to provide some houses, and how he was blocked at every turn of the road. It is almost unbelievable that we would have an organization of power in Washington that would do the things that are stated in this letter. The letter comes from Amarillo, Tex., and it reads as follows:

AMARILLO, TEX., April 23, 1946.
Senator W. LEE O'DANIEL,
Washington, D. C.

MY DEAR SENATOR O'DANIEL: What with all the uproar about the housing situation and the House action last week, you no doubt are receiving a lot of letters from your constituents telling you what you should do and shouldn't do. This letter contains neither of the above, but it is a right interesting commentary on how the various rules and regulations are working in the housing situation.

From July 1941 to early in 1942 I built approximately 75 low-cost homes on some lots I owned in North Amarillo. I didn't build them through FHA, but arranged to carry the paper through banking connections, and really sold these houses at a very low price strictly because I wanted to sell the lots. Believe it or not, I sold a house and lot, four rooms and bathroom, for \$1,825, water, lights, and gas. This didn't include a garage or sidewalk or the tub installed in the bathroom. The idea was to sell these houses to men who were making a reasonable salary and had a lot of time after 5 o'clock to do what improving they wanted to around the home and later on to put up another hundred dollars to finish the bathroom. Of the 75 houses, which we sold at from \$150 to \$300 cash down and \$19.75 per month, more than a third have paid out in full, and nobody is in arrears. The \$19.75 monthly payment includes taxes and simple interest at 6 percent with no fixed charges of any kind for deed, abstract, loan, et cetera. I didn't go into this as a philanthropic enterprise, but it has been gratifying to know everybody has been happy in their purchase.

We closed down our operations when the freeze came in early 1942 and prepared to open up again in January of this year, inasmuch as there was a crying demand for houses, and the Government was asking for homes and more homes, especially of the low-

cost type. I found that in order to furnish the same kind of house on the same lot, it would have to sell for \$2,750, which is approximately \$750 less than anybody else can or does build a house of this type. The reason for our economy is that we had our own lumber yard, bought everything wholesale, sublet the carpentering, painting, and electrical work, but furnished the material ourselves. I merely wanted to sell the lots and get a house there that would be paid for without any burden to the purchaser. I am still not a philanthropist; I merely want to sell the lots.

The first thing I had to do was to get a priority before I could buy lumber.

He was in the lumber business, but first he had to get a priority.

I read from the letter:

I took this up with the local authorities and was referred to Fort Worth where I received priority without any delay. I submitted the complete information on the house and they gave me a base of \$3,500, which is \$750 more than we expect to charge for the house. So far so good. The next step was that Mr. Frank Hardin, my associate and the man who handles this entire business, started through east Texas and southern Louisiana armed with a priority ready to bring back several carloads of lumber, sash and doors and other building material. He was gone 2 weeks and couldn't buy one single dollar's worth of material. The big mills merely said "nothing to sell" and the little mills offered to sell at black market in which we were not interested.

After contacting some twenty or twenty-five sources of supply I came back empty handed and with the same answers.

A man with any sense would have stopped right there, but by that time I was determined we were going to overcome the obstacles and my next move was to go into Arkansas to try to get in with some sawmill outfit where we would have a permanent source of supply. The story was the same kind, and I wound up by buying some \$30,000 of standing timber, a big sawmill, kiln and manufacturing plant capable of turning out several carloads of lumber a week.

Mr. President, this letter is somewhat long, but very interesting because it explains how a patriotic American citizen was trying to construct some houses in order to help out the housing-shortage situation.

I continue reading from the letter.

This would take care of everything but the sash and doors and roofing. The sash-and-door people gave us the same answer as the lumber people, so I went to Albuquerque, N. Mex., and put a man in the sash-and-door manufacturing business.

The writer of this letter was bound to build those houses. He had the lumberyard and went out to buy a forest and a sawmill. Then he had to go to New Mexico and put a man in the sash-and-door manufacturing business.

I continue reading from the letter.

This gives us our sash and doors. I was able to maintain hardware and nails from local sources, but it still left me without roofing. Up to the present time I am still without roofing because a priority seems to mean nothing whatever to roofing manufacturers, any more than it did to lumber mills, when it comes to actually selling you what you need, but we can buy it from Sears-Roebuck one at a time if no other way.

Understand, I want to finish 2 houses a week until I have built 311 houses, which covers all the lots we own, and I have already got the deal financed through a bank in St. Louis. Now here I am with timber and a sawmill in Arkansas, a retail lumberyard in

Amarillo, and the next thing that comes up is OPA says I can't own them both.

Mr. President, was not that man in a terrible fix? OPA said that he could not own a lumberyard in Amarillo, but could own a sawmill and a forest over in Arkansas.

To overcome this obstacle I get out of the retail business in Amarillo, but am allowed to sell the lumberyard by lots, although I have to help this company finance the building, "this company" being owned by some other member of my family but which, of course, is entirely legal.

He had to get the family all mixed up in organizing the different companies in order not to have them owned by the same persons.

I continue reading:

I think everything is all set and yesterday comes out the ruling that 25 percent of the houses must be built for rent, which means that out of the first 100 houses we build in Amarillo, 25 will be for rent and will require a permanent investment on my part of \$68,750 (25 houses at \$2,750 each) per year for 3 years and I simply am not in financial condition to go into the business of building houses for rent, which means that if this is really the final word there will be 311 houses less built in Amarillo than otherwise.

I have been a pretty strong supporter of OPA until I have noticed how the black market works in the lumber business. It isn't going to affect me if I continue building, because my mill can sell at ceiling prices to the lumberyard in Amarillo and make expenses, the lumberyard will have sufficient lumber to build and I can still dispose of my lots, but I have found the following to be the case. All over the lumber-producing States of the South there are a number of large mills which must adhere to the ceiling prices, which for example on softwood we will say averages \$48 a thousand and on which price they cannot make any money. As a result they have cut down their production. In all these States small outfits have put in portable sawmills turning out 4,000 to 6,000 feet of lumber a day and the trucks from Texas, Illinois, Indiana, Missouri, and other States are filling the highways in the South backing up to the small sawmills and paying \$75 black market for green lumber sawed yesterday. The truckers take this load and sell it to a contractor or some black-market source for \$100 or more per thousand and when it gets into the house it has cost the home buyer \$150 a thousand and it's green lumber which in 6 months will curl up and the house owner has a poorly constructed home at the price which should have given him a good home.

If the big sawmills were allowed a price that they could make money on, say the price that the black market is charging, \$75 a thousand, they would go into the woods and cut down the timber, increase their production 100 percent, run the lumber through their planing mills, through their kilns, and furnish high-grade lumber for \$75 a thousand. When it reaches the ultimate consumer in a home it has cost him no more than through the black market and he has gotten good lumber. The big mills will furnish so much good lumber that the black-market operators will have no customers and then it is a scrap between the big mills, and if they are allowed to furnish enough lumber competition will arise among them and prices will take care of themselves without any OPA control.

I don't know why I wrote this letter, because I don't seem to be able to find any moral to the story. Maybe I just wanted to let you know how hard it is to build homes with all the restrictions which we have to overcome, and to cry on somebody's shoulder.

Mr. President, that concludes the reading of the letter. Every time this man turned the corner with a hammer or a saw or something which indicated he wanted to build a house, the OPA sicked the dogs on him.

Yes, Mr. President, that man had trouble because of the OPA in getting houses built for the returned servicemen. But a man like that will, somehow, succeed. Then, those veterans will have to furnish those houses, and the OPA, if we recreate it, will have them again. For, in this bill, under section 10, paragraph T of the bill, the entire furniture business is placed between a "rock and a hard place." Let me read a brief telegram sent to me by Mr. Leo J. Heer, vice president of the National Retail Furniture Association:

WASHINGTON, D. C., July 23, 1946.

HON. W. LEE O'DANIEL,

United States Senate, Washington, D. C.:

Representing 7,000 merchants doing 80 percent of annual furniture-store sales we protest the averaging provisions of section 10, paragraph T of House Joint Resolution 37 extending price control. If objectionable paragraph becomes law it could distort entire pricing structure creating serious margin depressing result for those above average and providing windfall for those below average. Total outlay by consumers as a whole for any commodity would remain exactly same with or without the averaging technique. We urge no parliamentary situation be permitted interfere with correcting the prospective gross inequity. From OPA administrative viewpoint substitution of actual individual cost of acquisition plus actual individual discounts or mark-ups is tremendously more practicable and workable in contrast to highly intangible, artificial, and discriminatory nature of averages derived in varied types of retail stores. Our consistent record of sincerity and objectivity on problem of price control as reflected in committee hearings of House and Senate evidences this has been our position from the inception of price control.

NATIONAL RETAIL FURNITURE ASSOCIATION,

By LEO J. HEER, Vice President.

I wish to read something about what other people think the new OPA bill will do. But, Mr. President, before doing so I wish to say in connection with the subject of the letter which I completed reading a moment ago, which had been written by the person at Amarillo, Tex., who tried to build some houses, that I have found the same situation in connection with every other line of industry in my State. We have large acreages of fertile soil in the Magic Valley of Texas, where we raise an abundance of vegetables, such as cabbage, spinach, onions, radishes, and so forth.

Mr. MOORE. Mr. President, will the Senator yield for a question?

Mr. O'DANIEL. I yield to the distinguished Senator from Oklahoma.

Mr. MOORE. I assume from what the Senator has been saying that he must agree with what the Senator from Nebraska [Mr. WHERRY] said today, namely, that to enact this measure into law would be to stymie production of every kind and character.

Mr. O'DANIEL. I sincerely believe that that is the purpose of the OPA. I agree with the Senator from Nebraska, and earlier in my speech I said what I thought about his statesmanship.

But what I was about to say in connection with the destruction of private enterprise in this country is that it is to be seen how the OPA prevented the writer of the letter which I read from building houses. I have been in the Rio Grande Valley when the farmers there were plowing under hundreds of acres of the finest cabbages—I have photographs of it—spinach and other vegetables. Why? Those vegetables had matured and were ready for harvesting. Men with great large tractors were plowing under that food. Why were they doing it, Mr. President? Because the OPA had established ceiling prices on those vegetables and the farmers were able to save money by plowing the vegetables under rather than by harvesting them and putting them into crates and shipping them to the market where they could be consumed by the American public. No wonder there has been a shortage of food.

In the region near San Antonio, Tex., where there used to be a great poultry industry, farmers bought baby chicks by the thousands and took them out to the farms. In a few weeks those baby chicks would grow into broilers and fryers for the market. What did the OPA do when they found out that those farmers were raising those chickens for food? They figure out a price by which the farmers would be unable to get back their cost of purchasing the baby chicks, raising them and feeding them. Most of those families were put completely out of business. A large number of these poultrymen were returned service men, many of whom had financed their enterprise through the GI bill of rights.

I went down to interview the OPA and asked them why they wanted to put those poultry raisers out of business. They said, "Why, we don't want to put them out of business, but we want to hold the price of the poultry down so that the consumer will not have to pay so much for it." Some of those farmers in Texas received statements from various stores to the effect that they would pay more for the poultry and would not increase the price to the consumer. Did that result in the OPA saying to those farmers that they would allow them to increase their price to the dealer provided that he did not increase the price to the consumer? No. The OPA was not interested in anything of that kind. The OPA was interested only in putting the poultrymen out of business. That was their objective. Putting businessmen out of business is what the OPA was created to do. That is what the OPA was set up to do. That is what they did. Not only that, Mr. President, but throughout all Texas wherever there were little dairies the farmers were unable to obtain a sufficient price for their milk to pay for the cost of feeding the cows. There were mothers with children who wanted to buy milk and were perfectly willing to pay an additional penny or two for a quart of milk. Were those farmers allowed to increase the price of their milk? They were not.

Many of those farmers were compelled to drive their cows to the slaughter pens and have them butchered. They were put out of business. That happened in

many instances all over the State of Texas. I know of one case, because I know the man involved. He received a check for \$25,000 and gave up the operation of his business. He had been in the dairy business for a long time and had built up a wonderful business. He required a great deal of feed in order to maintain his dairy. He would go to the feed dealer who would sell him 100 sacks of feed but would not allow him to take home more than 25.

Then he had to come back, whenever they specified, on a certain day. He had to drive 35 or 40 miles with his truck. The tires were blowing out, gasoline was rationed, there was difficulty in getting help, and he had to make all those extra trips, when he could have bought a hundred sacks at one time; but OPA regulations would not permit it, is it surprising that I receive telegrams such as—and I quote:

NEW YORK, N. Y., July 23, 1946.

Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

You and 50 other Senators voted to adopt Wherry amendment decontrolling dairy products. You did this because you realized that impractical administration of controls over dairy products was rapidly curtailing production and denying to the consumer the right to purchase dairy products he wanted. We have now had 3 weeks with free markets and dairy products are readily available and prices are leveling. To again impose regulations on dairy industry would cause a chaotic condition, tremendous losses to dairy industry, and irreparable damage to small manufacturers of dairy products. We ask you to kindly continue your support in permanent elimination of dairy products from any revamped OPA legislation.

MIDLAND COOPERATIVE DAIRY
ASSOCIATION,

WALTER PAGE,
Converters for more than 25,000
farmers located in 9 Middle West-
ern States.

HOUSTON, TEX., July 24, 1946.

Senator W. LEE O'DANIEL,
Senate Office Building:

Since termination of hostilities milk production has declined consistently. Under OPA farmers have had no particular incentive to produce milk and many herds are being sold. Since OPA expiration interest has picked up; sales prices reflect increase only about amount equal to subsidy, in some cases lower. Cannot urge too strongly your favorable action toward decbntrol of dairy products if the dairy industry is to continue to produce the milk and milk products so critically needed the world over today.

A. F. C. KENNEKOHL.

CORPUS CHRISTI, TEX., July 23, 1946.

W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

Urge defeat conferees OPA bill. Include decontrol on livestock, dairy, poultry, and eggs as written by Senate. No runaway prices in local dairy market.

HENRY F. NEW,
Manager, Coastal Bend Milk Pro-
ducers Association.

HOUSTON, TEX., July 23, 1946.

Hon. W. LEE O'DANIEL,
Washington, D. C.:

Dairy industry settling down to substantial program. Please do not put us back under OPA with all the confusion and unreasonable restrictions they will place on our in-

dustry. Urge you vote against conferees' report.

B. E. STALLONES,
Manager, South Texas Producers
Association.

Not only that, but in the meat industry, truckload after truckload of cattle were hauled to market. They had quotas, and the buyer would say, "Our quota has all been filled, we cannot take the cattle." Then the farmer would have to haul the cattle back home, and given them some more feed, which was needed so badly, just to keep them alive until some time when the OPA would give them a quota so that they could get their cattle sold. That ran through all lines of business.

Talk about the shortage of butter. There was a man in Texas who was manufacturing churns so that the housewife could churn butter. The OPA would not let him manufacture churns. They stopped the manufacture. They stopped the manufacture of hundreds of articles that were made in Texas, when all the raw material was there for the manufacture. The farmers were unable to buy parts for their farm machinery. Did they want to save the metal, or stop the farmer from producing? Let us see what happened.

A big skyscraper was being built in Texas when the metal and other materials that entered it were sorely needed by the farmers in Texas for replacements for machinery and parts. It is my opinion they showed that the sole intent was to destroy production in America and not only to do that, but to destroy our American form of government, bring us to communism and totalitarianism; and that is what they have almost succeeded in doing. It was said that when Congress passed this bill the OPA was going to expire on June 30, 1946, and, thank God, it did. But they did just everything within their power to keep it from expiring.

They passed another bill and sent it to the White House, and it did not suit the President. He thought he would get a better one, I suppose.

Mr. President, that is the history of OPA. As if it were not bad enough, under the domination of one bureaucrat, they want to set up three of them, three in one. When they get those three set up, then you will see some high financing in this country. That is when you are going to see speculation rampant. I have no doubt that the information will leak out through different sources to the faithful of the New Deal. They will say, "We are going to take the ceilings off oats" or "We are going to take it off barley" or something else, "on a certain date." You had better get in and buy something.

There will be need of more investigating committees to investigate these scandals, if they keep on increasing the bureaus three to one. They will need more investigators than they can find in Washington; and there are many people here. Then they are going to need a lot of investigators to investigate the investigators. [Laughter.] It is just one of those cancers that grows and grows and grows, and will keep on growing until our great Republic, that was founded by our forefathers and handed down to us as a glorious heritage, is destroyed; or the Amer-

ican people take proper steps at the polls to cure the political cancer by defeating all those who adhere to the philosophy of the New Deal.

Why is there so much more prosperity in this country than in some of the other countries of the earth where there are natural resources and more people than we have? It is because of the system of free private enterprise that was connected with our system of free democracy, that was devised and written by our wise forefathers, and inscribed in the Constitution of the United States, the greatest document ever penned by the hand and brain of civilized man outside of the Holy Bible. We followed it as honest citizens and built this great Nation, and now it is being destroyed and torn down.

We passed a price-control bill, and then all we heard on the floor of the Senate and in other places was "There is a great big corporation making too much money." They are talking about controlling profits instead of controlling prices. With the graduated income-tax law on the books, I do not think anyone needs to be excited about any big corporation or anyone else making too much money and keeping it because they have to make a great deal in order to keep a very small amount. We have that safeguard to level things off and bring the excess profits back. If we think it is not severe enough, we can make it more severe.

If you want to control prices, adopt a 100-percent excess-profits tax. You are not going to find very many merchants or manufacturers or businessmen in this country who are going out to rob their customers for the purpose of putting the loot into the United States Treasury through the system of profits taxes.

Mr. President, that is not what this crowd wants. They do not want to control prices. They want to ruin our free economy. If they wanted to control prices, we have a lawmaking body here which could act. Why do we fool around and set up an administrative power to regulate every turn of the wheel—to regulate everything that is done—when all we have to do is to pass a law making it a felony for anybody to buy or sell any product in the United States above the price at which it was sold on a certain date? Then we would have price control. They do not want that. That is not what the New Deal dynasty wants. If they wanted it, they could get it more quickly because they control Congress. They could put prices on everything—set the price of wages, set the price of salaries, set the prices of all commodities—everything—as of December 6, 1941, or any other date—June 30, 1946, for instance. If you want to hold prices, all you have to do is pass a law. We already have the enforcement officers all over the country, in every little district and every State—State police, county police, city police, Federal police.

As I have said, that is not what they want. They want to destroy our Government. If they want to control prices, it is easy to do that. I recommended it back on January 8, 1942. What I said is right in the RECORD. I said then, "If you want to control prices, all you have

to do is to pass a tax law, or amend the present tax law. You already have the Internal Revenue Bureau set up, with employees. They would not have to handle any more papers, just different figures on the papers. Pass a tax law. Let everybody go back and pick the schedule he wants to choose, or the one Congress chooses for him, before the national emergency." Then say, "You will be permitted to make this wage, this salary, this profit, to the extent you made it before we got into the war. But of everything above that your Government is going to take 100 percent."

Mr. President, that would have been easy. But there were some who did not want that passed. Although our late President, Mr. Roosevelt, said, "There are not going to be any war millionaires," we have them. He said there would not be any war millionaires, but did Congress back him up with a tax law that would prevent that? No. Many war profiteers got their profits, and got them in big gobs. Some of them did and some of them did not. It depended on whether they belonged to the New Deal or not.

That is what OPA has already done to us. We are in a bad fix. We have a deficit. The way it adds up, it is more than \$276,000,000,000. But we have so many bureaus and departments and corporations, and so many hip pockets in old Uncle Sam's pants, that I do not believe there is any way for anyone to know how much we owe or how much we have, or anything else. There are some figures, but I do not believe they reflect the true situation. You see a big expenditure of money, and even though you are a United States Senator and try your very best, you cannot find out where the money is coming from, or what department is spending it. We are just throwing it around loosely and wildly, not only in the United States, but all over the world.

As I have said before, there are two positive ways of destroying an individual economically or of destroying a business concern or of destroying a government. One of those ways is to destroy productive capacity. The other is to squander or destroy or get rid of the accumulated savings.

When you have done that you will put anybody out of business, and OPA and the New Deal have been practicing and doing both ever since March 4, 1933. They have the people of this Nation now in debt in an amount of approximately \$300,000,000,000. It will not be paid off in 100 years, if it is ever paid off.

I started to read what the meat packers have to say. This is a report which came to me, and I will read it for what it is worth. I have confidence in it. I read as follows:

The meat packers in the Western States hope the Senate will reject the conference report on the OPA extension bill and send it back for the purpose of decontrolling livestock and meat.

We feel the proposed Price Control Act restoring price controls to livestock and meat August 20 will only create confusion and chaos in the industry.

For the next month the industry will have to be on a day-to-day basis as far as purchases of livestock and sales of meat are concerned. This would particularly apply to many meat products which it takes time to process and in which time is required either

in aging, freezing, pickling, or other methods before meat is used in the final product.

With such a sword hanging over the head of the industry who would buy with prospects of reduced price at time of sale. This present bill would not allow the industry to operate on a practical basis but only to operate in a confused manner which would deny the industry the opportunity that it now has to get its operations back on a law of supply-and-demand basis.

Also livestock will be rushed to market to beat the August 20 deadline causing disruption of orderly marketing and many immaturely finished livestock will be sent to market. This will tend to create a shortage in future months when they normally would have been marketed.

Meat markets over the whole western country are becoming filled with meat, prices are dropping and if this industry was allowed to go ahead without such a threat over it, we are sure there would never be any reason for placing controls back on livestock and meat in the future.

We hope the Senate will reject the conference report and insist that the controls be taken off livestock and meat and the industry given an opportunity to demonstrate that it can furnish meat to the people at reasonable prices. If the bill goes through in the form recommended by the conference committee, we consider it a victory for the black market.

It is time for all of us to realize and admit that the actual cost of living is on the black-market prices and not the fictitious ceiling prices posted by the OPA. The Senate vote on the floor of 49 to 26 in favor of decontrolling of livestock and meat indicated that the Senate took this into consideration.

Legitimate packers of the nine Western States cannot operate another year under the intolerable and restricted conditions imposed upon the industry by the offices of the OPA and Economic Stabilization.

Is the Senate willing to assume the responsibility of the return of the black market with all of its evils and under the OPA cause practically every retail market in the country to be again converted into a speak-easy?

WESTERN STATES MEAT PACKERS
ASSOCIATION, INC.,

By E. F. FORBES, President.

JULY 23, 1946.

That is the opinion of the people engaged in the meat industry, and that is the opinion of people in other industries. Certain items were picked out here, and, because those interested in those items were able to convince a sufficient number of Senators that certain products should receive special consideration in the OPA measure, amendments were added to the measure and those products and commodities received what we thought was special consideration, until we found out that the Senate does not have much voice in these conference committees. It appears that some consideration should be given to the judgment of Senators as expressed by the votes on the floor of the Senate. But while some commodities were excluded from price control, why should some be excluded and others be included in the measure? If we are going to have price control, why should we decontrol prices on certain commodities when the producers or processors or manufacturers of those commodities are of sufficient size and financial strength to employ representatives to come here and explain their case? If it is right to exclude meat and butter, why not exclude everything else? Why should we include anything?

It is the old socialistic system under which everyone thinks it is right to take

everything away from the other fellow, providing he does not have anything of that particular commodity, but when it comes to taking his stuff away, he says, "Leave me alone." So we have been adopting amendments which were favorable to some people and not favorable to others. There is no doubt that there was justification for those amendments. But I claim there was justification for amendments covering other articles in which people who could not come here were interested and in which the citizens of this great land who sent telegrams to me, who are "the voice of the country," are interested. There were thousands of them. The telegrams I have received from them would cover two or three of the Senators' desks. There was no concerted drive for these telegrams. The telegrams were not inspired. They came from people who received a little hope when some of us got up on the floor of the Senate in an effort to kill OPA. They wanted to let us know that they appreciated our efforts. They wanted to get back to the American form of government. That is what is wanted by every American citizen who understands the true situation. I place myself squarely on the side of the rank and file of the common people. That is where I belong. That is where I was raised, that is where I still am, and that is where I shall remain. I am perfectly satisfied to take the judgment of the rank and file of the American citizens, providing the American citizens are in possession of the truth, the whole truth, and nothing but the truth.

But I am satisfied that wise people can be misled, and I am satisfied that some of our best citizens have been misled by the propaganda that has been put out by OPA at Government expense, and by the bureaucrats in Washington and in other places. They swarm all over the Nation. They are to be found at every cross road, in every city and village, telling the people what to do.

Mr. President, I say it is time to call a halt, and I am trying to call the halt. We may not be successful in doing so. This measure may be crammed down the throats of the American people. I am not criticizing any Senator who takes a part in cramming it down by voting for it, because he has a right to vote for it. He has a right to do anything he wants to do respecting legislation in the Senate. He may be right and I may be wrong. But I tell you I am not wrong. [Laughter.] I am just as right as can be on this subject. I was not schooled in politics, but I was schooled in American industry and in American life. I came up the hard way on the ladder of success, and I came a long way up until I reached the Senate. No one thought when I was a little boy on the ranch that I would become a Member of this great body of United States Senators. Some of my enemies claim it was a mistake. But I am here. That is the American system, and every other little boy on a ranch or in a small town or in any other place in the United States should have the same opportunity. I want to keep the road clear all the way up so that he does not have to obtain the approval of a bureaucrat in Washington before he can

have a chance to go to school or start a grocery store or run for office or do anything else. I want to keep the ladder of success open from the bottom rung clear up to the top. It can be done. It has been done. I am not holding myself up as any example. I am merely telling the Senate that every American citizen has that right.

But if we trade our American citizenship for a mess of New Deal communistic pottage our children and our children's children will never have that opportunity. It will be taken from them. They will be reduced to wearing shackles by a government which has gone down into the depths of socialism, communism, and totalitarianism. Our Nation stands today as the greatest Nation on the face of the earth, but we are at the crossroads. There are some people—I shall not mention anyone in the House or even in the United States Senate, but some people in Washington, public officials, have the idea that they are the masters instead of the servants of the people. They tell the people what to do. I am pleading the case of the common man. Most of these demagogues get up and holler and say that the taxes are all going to be paid by the rich people and by the big corporations. They are not going to fool very many persons who know the truth, because it is the man on the street, the man who labors, who pays the taxes. We have had some taste of it in the withholding tax, but I say that the taxes come from the hidden places. Mr. President, when you buy a pair of shoes, when you buy a railroad ticket, when you use the telephone, when you ride the street car, when you buy a pair of stockings or a suit of clothes or a necktie, whatever you buy, the taxes are hidden in that purchase, and it is the American people, 140,000,000 of them, who have to pay the national debt of \$275,000,000,000 or \$300,000,000,000 if it is to be paid.

Let the demagogues cry and shout from the housetops that the large corporations are going to be taxed and pay this great debt. The large corporations are merely the tax gatherers for the American Government. An examination of the income-tax reports of any corporation in America will disclose that back in the old days after the taxes were paid, and the taxes were very small, the net income remaining for distribution as dividends was a certain amount. As the taxes were raised the corporation simply added them on to the price of the commodities they were selling and after they collected the increased taxes from the purchasers they paid them to the Treasury. After they had collected those hidden taxes from the purchaser they paid them to the United States Treasury, and they still had practically the same amount of profit left with which to pay dividends. That certainly did not do any harm. I am not pleading the cause of the great corporations, but I believe in being honest. The records of the large corporations show that they have many stockholders who have only small amounts invested in the stock. The stock is not all owned by the great moneyed interests, as the demagogues would have us believe. There are more than 65,-

000,000 life-insurance policies in effect in America, with an average face value of \$1,500. Women are beneficiaries of more than 80 percent of these, and these women realize as never before that the assets behind these policies should not be subject to political trends or whims. They are, in the last analysis, the stockholders who make up the "bonded interests" the demagogues scorn.

It is the individual, the citizens of the country who have to pay. When public officials and politicians, especially when they advance so far as to be bureaucrats, get into trouble, it is the citizens who have to pay. When they get us into war it is the individual citizen who goes in and fights the war. The common people are the ones who clean up the mess after the politicians get us into trouble, and they are the ones who have to clean up the mess in connection with the public debt of \$275,000,000,000 or \$300,000,000,000. We are still making appropriations by the billions of dollars. We are passing out to Great Britain \$3,750,000,000.

When it comes to the soldier boys we have to give them autographed pictures of the Treasury. We are "out" of money when it comes to paying the boys. Only today the President signed the third deficiency bill, which included \$75,000,000 for OPA's operation in the current fiscal year, and there is another \$1,000,000,000 involved in this measure. Some Senators say they are against subsidies, but will vote for the joint resolution. It contains \$1,000,000,000 worth of subsidies. It is time to call a halt. It is time to quit this business. It is time to get back to our American system of free enterprise and our American system of government. After appropriating billions of dollars during the war, when we ease off and get out of the war we do not seem to be appropriating very much, although we are appropriating seven or eight times as much as we appropriated before we get into the war. It is a matter of relativity. Those large sums are added to the public debt, and the public debt is drawing interest.

I have received a letter containing an analysis of this measure. It comes from the Women Investors Research Institute, of Washington. Cathrine Curtis is the president. I do not know a thing about this organization. I do not vouch for the authenticity of the information contained in this letter, or the facts stated. I read it simply as it is. I have an inbred confidence in almost everything the women do. I have great respect for the women. This letter is from a women's organization. If it had not been for the women, there would not be very many of us here.

This is an analysis of the conference report reinstating OPA. It is dated dated July 22.

Acceptance by Congress of the price control bill recommended by the report of the Senate and House OPA conferees apparently means reinstatement of all original price control powers with additional more far-reaching controls over the production of agriculture and industry than existed under the price-control system that was ended June 30 by Presidential veto.

In my opinion, the OPA measure which we have before us is one of the most vi-

cious pieces of legislation that has ever been introduced in the Congress. The New Deal propaganda outfit has sent word over the country that the joint resolution does not involve very much control; that so far as they are concerned it is a rather bad measure; and that the President will sign it very reluctantly. They are doing so to fool the people, because this is the strongest control measure that we have ever had before us. It will permit the OPA to do anything under the shining sun that it wishes to do to destroy America; and there will be three bureaucrats to do it instead of one. They can do three times as much damage as they have done.

In my opinion this is the worst measure that has ever been put before us. Whenever the American people are told that Mr. Truman is going to sign this measure very reluctantly, indicating that it does not grant as much power as he would like to have, someone is trying to fool the people. Unless Mr. Truman wishes to save this Nation and save the Democratic Party he will break his leg to get a pen and get to the desk to sign it before it can be jerked away from him. He will be anxious to sign it. He vetoed a previous measure and got into trouble. It seemed for a time that he might never get another one. So if he ever gets anything on his desk again that has the semblance of an OPA measure, let no one worry about his not signing it—unless he suddenly reaches the conclusion that by vetoing it he can save the Nation and save the Democratic Party. He may do so. I hope he does. I have never been able correctly to forecast what President Truman may do. But he has that power. We cannot kill the measure. I am afraid that too many Senators will vote for it. I do not know, but I am afraid that we shall pass it. Then it will be up to God and Mr. Truman to decide whether or not it shall be killed. It is my prediction that if the President listens to the advice which he receives from the OPA and all those connected with it, and from the Communists, Reds, and Socialists who are supporting it, he will sign it in a hurry. They would not care if the measure contained nothing except the name OPA and an appropriation of a billion dollars. They would not care if the Holy Bible were printed in it. We can print anything in it, good or bad. They do not care. They will operate this agency to suit themselves. They have proved that. Senators need not rely exclusively upon my word for that. I have heard Senator after Senator make the same statement about maladministration and disregard for the will of Congress on the part of the OPA officials, who operate the agency to suit themselves. It has been operated in that way before.

How do we expect to bring about a change or to purify the OPA simply by providing for the appointment of a board? We do not know who will constitute the Board. The Board does not even have to be approved by the United States Senate. Of course, theoretically it does; but if we pass the joint resolution and then adjourn and go home, leaving it on the President's desk, he can sign it and make his appointments.

We cannot confirm his appointees until Congress reassembles. That may not be for a long time. I hope so. The longer we can stay in recess the better off the country will be. We have been in session entirely too long, passing the wrong kind of laws, according to my opinion. I think they are wrong. They may not be, but that is what I think; and I have a right to think that way, and to express my opinion. However, I do not criticize any Senator for the way he votes. There is nothing to prevent a Senator from voting for bad legislation if he wishes to do so.

I was reading from the report of the Women Investors Research Institute. The report continues:

Congressional approval of this report also evidently will mean that all future business, industrial and agricultural programs must be planned on the assumption that price control will be a permanent part of our economy.

There you are.

Analysis of advance copies of this report indicates that if accepted without change by Congress—

It has not yet been changed; under the Senate rule, we cannot amend it—it will grant greater control powers to the "economic planners" than they were able to obtain under the original OPA bill enacted in 1942.

New board all powerful.

If the conferees' proposals are accepted by Congress without change, they will:

1. Give complete control over our economy to three individuals (the Decontrol Board) who will be unknown to Congress when it votes on this legislation.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. O'DANIEL. I gladly yield to the Senator from Oklahoma.

Mr. MOORE. The Senator knows, does he not, that in the consideration of the conference report—which is only a conference report, and not an act of either House—we have no opportunity to amend it or change it in any way? We must either vote it up or down.

Mr. O'DANIEL. I will say to the Senator from Oklahoma that it is my understanding that this view is correct, because even if the Senate should give unanimous consent to amending the conference report it would have no effect unless the House should agree also as conference reports are handled on the basis of what is practically a joint rule of the two Houses.

Mr. MORSE. Is it not true from the parliamentary standpoint that the only way we can change this report is to recommit it to the conference?

Mr. O'DANIEL. From a practical standpoint I believe that is correct. But as to the conference report before us, gazing at us in all its ugly viciousness, we must take it as it is or turn it down. I do not see much use in my standing here talking about it any longer. I simply wish to make my position clear. I am against it.

I continue reading from the report:

2. Compel business, industry, and agriculture to operate on 30-day schedules.

A man operating a manufacturing or processing plant, planning crops, or manufacturing anything, could not figure

ahead more than 30 days. On the basis of present prices, with a Decontrol Board and a Recontrol Board, as the Senator from Nebraska [Mr. WHERRY] so aptly termed it, one would not wish to stock up with merchandise from which to manufacture the finished product at a certain price, if he thought the price would be lowered about the time his storage house was filled. If a manufacturer cannot fill his storage house he cannot process or manufacture the things which his customers urgently need, because he does not have the stock. So what is he to do? Everything is thrown into confusion. Time is required to manufacture finished products. It takes time to harvest a crop of wheat, haul it to the country elevator, grade it, load it into cars, and ship it to terminal markets. It must go through all the processes of grading, storage, and resale to the flour millers or the corn processors. Millions of bushels of grain must be owned by someone, and it is usually owned by those who do the processing to make the flour which is shipped to bakers all over the country.

Some of the bakers want to keep their flour in storage, because it improves with age if it is stored for a certain length of time. The corn-product manufacturers want to manufacture corn syrup and hominy and breakfast foods and all the other corn-product foods we need, and it takes more than 30 days to do that.

Who in the world is going to lay in a supply of raw material when he does not know what he will be able to charge for the finished products? So the producers simply will have to go on a hand-to-mouth basis.

Mr. President, I read further from the report:

3. Make it extremely difficult—if not impossible—for medium and small business to obtain current production costs;

4. Give OPA legal authority to control both profits and production; and

5. Cause continuing shortages in both durable and consumer goods that can only result in perpetuating price control within the specific provisions of this legislation.

The compromise bill does include the specific Senate decontrols of livestock, dairy products, petroleum, tobacco, poultry, eggs, grain, cottonseed, and soybeans, and their byproducts.

BROAD RECONTROL POWERS

It grants the Decontrol Board power to put any or all of these products again under control by August 20—or at any time thereafter—when, in the Board's opinion—

1. The price of any of these products has risen unreasonably above former ceilings;

2. The product in question is in "short supply"; or

3. The "public interest will be best served" by reinstating controls.

Those decisions will be up to the three bureaucrats in the decontrol or recontrol board. They will have to decide whether the public interest will best be served. They might guess wrong, and they might manipulate prices in such a way as to let their friends get in on the grain and cotton exchanges and make a lot of money.

I continue to read from the report:

Therefore, under the compromise provisions, it is evident that these presently unknown three individuals will have sole power to determine whether products decontrolled

by Congress will be bought and sold in free or OPA-controlled markets.

The bill also provides that—on the application of any industry advisory committee—the Board may decontrol any product when it finds that the supply of that product approximates demand. However, it also stipulates that the Board may—any time after 30 days following the issuance of such decontrol order—reinstate controls whenever it finds that any of the three rules cited above apply.

It would seem evident that this presently unknown three-individual Board—having sole power to determine from month to month what products are and are not under control—will have practically complete control over our economy.

Since agriculture, business, and industry can know only from month to month what products will be subject to price control, it is difficult to see how such activities can be planned on other than a month-to-month basis.

BRAKE ON MASS PRODUCTION

OPA officials—in testimony before both Senate and House Banking and Currency Committees—have repeatedly stated that the only way present shortages and price control can be ended is by a steady flow of products from our mass-production machine operating in high gear.

Business and industry may be able to operate on a month-to-month basis—but it is extremely doubtful that any mass production schedules can be planned on such a basis. It is highly improbable that our great mass production machine will be able to run in better than "low gear" under such restrictions and uncertainties.

This can only result in low production, continued shortage, and price control becoming permanent under section 1A (c) (2) of the bill, which provides for the transfer—to established departments or agencies of the Government—price control over "commodities or classes of commodities, including housing accommodations * * * in such critically short supply as to necessitate in his (the President's) judgment, the continuance of the powers granted by this act beyond June 30, 1947."

Just how agriculture can plan crops and production on a month-to-month basis is a problem beyond the solution of all except perhaps the present crop of OPA "book farmers."

There is only one apparent restriction placed on the powers of the presently unknown Decontrol Board to control, decontrol, and recontrol any or all products. That is when supply approximates demand, they must decontrol.

It generally is conceded that the supply of any given product can be estimated with some degree of accuracy. But estimating demand for that product is a complex problem—at least under OPA interpretation of "demand."

WHAT IS "DEMAND"?

If the question of demand is limited to domestic demand and prices are normal, then it is possible to estimate that domestic demand with some accuracy, according to OPA Administrator Porter in testifying before the Senate committee May 10.

But, according to Mr. Porter's testimony, if prices are kept below normal, as he admitted has been the OPA policy, it is impossible then to estimate domestic demand against the subnormal price.

By eliminating the word "domestic" from the supply-demand formula, as this bill does, then a number of additional factors must be considered before demand can be estimated, according to Mr. Porter's testimony.

These factors include actual foreign demand (demand by foreign countries in the course of normal trade), demand created by

commitments—known and unknown, made and to be made—of the administration to feed and rehabilitate the entire world, plus the demand that will result from foreign purchases due to the administration's foreign loan policy just approved by Congress.

Considering that the Decontrol Board will have power to recontrol any decontrolled product whenever it is in short supply or in the public interest—it should be remembered the present acute feed shortage in the poultry industry is the result of the administration's foreign food and feed policy, which is being carried forward in the public interest.

LEGALIZES PROFIT AND PRODUCTION CONTROLS

Two of the principal charges placed against OPA during Senate and House committee hearings—charges that were thoroughly substantiated by a mass of unrefuted evidence—were:

1. That the OPA pricing system and policies prevented manufacturers from obtaining production costs and, thereby, retarded production, created and increased shortages in durable and consumer goods; and

2. Prevented old line, well known producers from obtaining production costs—thereby preventing production—while new manufacturers were given production costs plus profits, enabling them to cash in on the present abnormal consumer demand, while making the consumer pay high prices for inferior products.

It was this mass of evidence that caused Congress to adopt the so-called Taft and Wherry amendments in the bill vetoed by the President. These amendments were intended by Congress to protect and assure continuance of the profit system in this country, and, when selected by the President as the chief target of his veto message, placed him and those supporting that portion of his message on record as being opposed to the profit system in this country.

It is apparent—under the conferees' compromise proposal of the revision of the Barkley-Porter substitute for the Taft amendment—that OPA will be permitted to continue its old pricing policies and practices.

Subsection (e) of section 11 of the bill will permit OPA to continue its preferential treatment of new manufacturers against old producers. That is, it can continue the practice—expressly forbidden by Congress in past amendments to OPA law—of banishing the well-known brand products of old producers from the market in favor of the unknown products of the new manufacturer—with added expense to the consumer.

Subsection (f) of section 11—even as amended by the conferees—will permit OPA to evade granting needed price increases for many, many months. It is known that Mr. Porter has said of this section "I don't care what they do with the first few lines, as long as they don't change the language after 'nothing herein' in the second line of the section."

OPA officials admit that this language will make it almost impossible for a manufacturer to obtain any price increase, as long as they—OPA—can show that a price equals the industry-wide cost average, plus what they consider a reasonable profit. As one OPA official put it—"If industry doesn't like what we do to them under this section, they can take us to court—the Emergency Court of Appeals."

It also has been repeatedly charged that OPA has usurped power, under old OPA law, to control profits and production. OPA officials originally denied this charge, but—as unrefuted evidence piled up in committee hearings to support it—OPA officials then took the position that Congress knew of these policies and had taken no legislative action to forbid them. The record of OPA debate in both Houses of Congress now denies such powers to OPA.

However, under subsection (c) of section 11, the power for OPA to control both profits and production will be written into law, if enacted into law without change in the language of the bill. OPA officials admit that the language "including reasonable adjustments (in prices) for conditions resulting from abnormal value of production" can be interpreted as granting power to adjust prices downward whenever increased production tends to increase profits. Under such an interpretation, there would be no incentive for any manufacturer to increase his production.

As to the compromise revision of the so-called Wherry amendment, it is doubtful if this will prove helpful to wholesalers and retailers. The original OPA extension bill vetoed by the President directed no cost-absorption discount cutbacks after January 1, 1946. The Senate bill changed this to June 29 and the compromise sets the date back to March 31. It is not surprising that OPA officials raised no objection to this compromise since the majority of cost-absorption discount cutbacks were ordered by OPA prior to March 31.

RESPONSIBILITY RESTS WITH HOUSE

In view of the foregoing, there seems little doubt that if the conferees' proposed report is accepted without change by Congress, our economy can be placed under tighter controls by September 1 than it was on June 30, and the road back to a free economy, free markets, and the profit system in this country will be more difficult than at any time since December 8, 1941.

Under the rules for considering conferees' reports, the House has the only opportunity to amend such a report. Senate rules compel that body either to accept or reject a report in its entirety. House rules permit that body to amend portions of a report by instructing its conferees to return to the conference and insist on certain changes.

This means that Senators are in the position of being compelled to vote either for or against reinstatement of price controls. But House Members can vote for reinstatement of price controls while insisting on changes in the report that will assure speedy termination of such controls.

It, therefore, seems evident that in this instance entire responsibility for determining whether this country will function on either a free or a planned economy rests entirely on the Members of the House of Representatives.

Mr. President, that report comes from the Women's Investors Research Institute, of Washington, and it condemns this OPA measure as being worse than any OPA law we have ever had before, and it says it will place all of the business of the country on a month-to-month basis. The report might just as well have said that it will place all American business on a hand-to-mouth basis, because it will simply stymie and stall business and will obstruct, curtail, and stop production, and thereby create more shortages.

In fact, the situation will be just like the situation described in the letter which I read a few minutes ago which came from a man in Amarillo, Tex., who had a lumber yard and some lots, and who went to great lengths to try to build some houses at \$750 less than the Government ceiling; but the Government bureaucrats put so many rocks in his way that he could not operate, and the 311 houses which he was ready to build could not be built. At every turn in buying the lumber, or selling the lots, or financing the building of the houses, the OPA and

other Government bureaus and departments were impeding his progress.

If we had had the OPA years ago, when this country was growing, we never would have had any Henry Ford. If Henry Ford had wanted to build an automobile, back in the days when he started, and if we then had had an OPA, the OPA would have said, "Oh, no; you can't be engaged in the business of building a wheel for an automobile, and at the same time be in the business of building a steering gear and a windshield and a cushion for the seat and a door and a crankshaft. You cannot do all those things. You must organize separate companies to build every part of your automobile"—in the same way that the OPA required the man whose letter I read to organize separate companies to produce every part that was needed for the 311 houses he wanted to build at Amarillo, Tex.

Mr. President, Henry Ford never would have gotten started in building automobiles if he had had to battle with the OPA. I wish to point out that we have a great many potential Henry Fords, in the little boys all over the United States. Very likely some of them will develop into men who can be just as big or bigger than Henry Ford or any other great man of this country. They are just waiting for their opportunity. If we tie them down with restrictions so that they will not have an opportunity, they will not develop, and we shall never hear about them, because they will not be able to get going, simply because the OPA will not let them start.

But, Mr. President, in this connection, Mr. Henry Ford, or even Mr. Henry Kaiser, could do little without the wonderful achievements of the petroleum industry. Petroleum is the lifeblood of our economy. And the OPA boys certainly did not overlook their opportunity for a little bloodletting. In this connection, I wish to read a telegram received from Mr. Walter G. Hallanan, of Pittsburgh, Pa.:

PITTSBURGH, PA., July 20, 1946.

Hon. W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:

May I respectfully urge that another year of OPA meddling and confusion will mean not only another year of black markets and chaos in production, but it means the destruction of our American economy. Why not terminate these wartime emergency controls now before it is too late? Regardless of all the OPA communistic propaganda the people are sick and tired of it and want to be freed from it once and for all. With regard to the petroleum industry the compromise bill makes that industry half slave and half free with a Damocletian sword in the hands of another bureaucratic board that will be chosen of the Bowles-Porter type hanging over it. I hope you will not approve this so-called compromise to perpetuate OPA as an economic monstrosity. If Congress approves this compromise it thereby gives approval to policies which OPA has arbitrarily imposed upon the country and which it will expect to continue.

WALTER G. HALLANAN,
President, Plymouth Oil Co.

So the Nation is on the down grade, and it will continue to be on the down grade so long as the bureaucrats in Washington stymie and throttle the

brain power and ability of 140,000,000 American citizens. That is what happens under the OPA. We do not know what boy will have an idea today or what little girl will have an idea tomorrow that will revolutionize some phase of our social or industrial life. The OPA will throttle our people. Our progress depends upon freedom. The OPA is now denying our people that freedom. First we were told that we must let our freedom be taken away by the OPA because we were faced with a national emergency and we were going to get into a war. Then, later, we were told that the OPA was necessary because we were in the war. Now we are told that we must have the OPA because we won the war. Just think of it, Mr. President. We have whipped all our foreign enemies and put them entirely out of business. But still some of the bureaucrats want to control the American people and to dictate what the American people shall do. They want to write it all down into a law. The Lord only knows who wrote this bill, but here it is; it is before us now. Here is our majority leader, who has just returned to the Chamber. I have been hoping he would come back.

Mr. BARKLEY. What did the Senator say about me?

Mr. O'DANIEL. I did not say a bad thing about the distinguished Senator—not one word. I cannot say a bad word about the Senator. I was just praying all the time that the Senator from Kentucky would change his mind about the OPA, but I am afraid I cannot persuade him to change it. I have been killing time until the Senator from Kentucky returned to the Chamber, and I am ready to stop now if the Senator from Kentucky will decide to kill the OPA.

Mr. BARKLEY. I can appreciate the Senator's willingness to have the OPA killed, and I shall be glad to have him stop.

Mr. O'DANIEL. Well, I hope something will happen to kill the OPA, because I am heartbroken about the present situation.

Mr. BARKLEY. I am anxious to have a vote taken.

Mr. O'DANIEL. There did not seem to be anyone who was willing to say anything very much about the OPA, so I got up to say a few words about it.

Mr. BARKLEY. I am sure the country is not under any delusion about the Senator's attitude toward the OPA.

Mr. O'DANIEL. If I have accomplished that much, that is something gained. I am sure I want to cooperate with the Senator, and so I shall yield the floor.

Mr. BARKLEY. I thank the Senator very much.

NATIONAL HEALTH INSURANCE

Mr. PEPPER. Mr. President, I feel that it is necessary, even at this late hour, to take 5 or 10 minutes to comment upon an extraneous subject, because I wish the RECORD to show that on the day following that on which the remarks to which I shall refer were made by various of my able colleagues, I responded to the comments they made. I address myself to the statements which were made yesterday

by the able Senator from Missouri [Mr. DONNELL] and to comments which were made by other Senators, to wit, the Senator from New Jersey [Mr. SMITH], the Senator from Vermont [Mr. AIKEN], and the Senator from Ohio [Mr. TAFT], relative to a report of the subcommittee of the Senate Committee on Education and Labor, known as the Subcommittee on Wartime Health and Education, of which I have had the honor to be chairman.

That committee, Mr. President, was authorized by a resolution of the Senate in 1943. The resolution authorized, in substance, a study of the health conditions of the people of this country, particularly because of disclosures with respect to selective service that some 40 percent of the selectees were rejected because of mental and physical disability.

The committee consisted of five Senators appointed by the chairman of the Committee on Education and Labor, and the junior Senator from Florida was named as chairman. That subcommittee was continued by resolution of the Senate in February 1945 and was further extended and additional funds were provided for its use in March of this year.

It was also provided in March of this year, when the last appropriation was made, that the committee's services should be terminated on the 1st of August—all by agreement of the chairman and the members of the committee.

The committee has held many hearings and has published five reports. The first report was published in the second session of the Seventy-eighth Congress and dealt with the general subject of the margins of living of the people and the desirability of improving their economic status in order that their health conditions might also be improved.

The second report was issued in the second session of the Seventy-eighth Congress, particularly in September 1944, dealing with the subject of juvenile delinquency.

The third report was issued in January 1945 and dealt with general health conditions throughout the country.

Mr. President, I do not like to suggest anything which might be related to self-praise of the members of the committee, but I will mention the fact that the American Medical Journal commented editorially upon the report in the following language:

The report, in general, would seem to be a more scientific, carefully considered document than has heretofore been available as a result of previous hearings in this field. The committee emphasizes that its findings are preliminary and that the subcommittee expects to continue its work with further hearings and with studies of the various aspects of the health problem, such as rural, industrial, and school health, the health needs of veterans, medical research, and medical education.

Editorials from the Washington Post, the Washington Evening Star, the New York Times, the Philadelphia Record, the Tampa Morning Tribune, and other newspapers commented favorably on the report.

General Kirk, the Surgeon General of the United States Army, was gracious

enough to write some words of commendation on the report. The report dealt, as I have said, with the general health conditions of the people, but it made no suggestion as to what method should be employed by the Government in meeting the challenge of poor health conditions.

The subcommittee proceeded to make a study of whether or not the private fee for medical service system prevailing in the country, and the volunteer health systems which had been growing in strength and usefulness throughout the United States, were adequately meeting the challenge of the poor health conditions of the people. About the latter part of March that report had been prepared by the subcommittee staff, and was sent to the members of the subcommittee.

Mr. President, I have referred to the committee as the committee, although it was a subcommittee. However, it was authorized by a Senate resolution. It was generally known in the press and in common parlance as the Senate Committee on Wartime Health and Education.

As I say, Mr. President, the staff of the subcommittee prepared the report and a draft of it was submitted to the members of the subcommittee. The desire was that the study which had been made by the staff should be made available to the full Committee on Education and Labor, to the Senate and to the public for such value as it might have. Let the Senate remember, that this committee was an investigating committee, and that it had a staff for the purpose of ascertaining data which might be of some public interest.

As I have already said, the proposed report was submitted to the members of the subcommittee. That was in March of this year. Immediately a response was received from the chairman of the full committee, the Senator from Montana [Mr. MURRAY], indicating his complete agreement with the proposed findings of the subcommittee. A report in complete conformity with the findings of the staff was also submitted by the Senator from Utah [Mr. THOMAS] and, of course, I as chairman of the subcommittee had already given the report my complete approval. That makes three members of the subcommittee who gave immediately their unqualified approval to the publication of the proposed report.

I then received the following letter from the able Senator from Vermont [Mr. AIKEN]:

UNITED STATES SENATE,
COMMITTEE ON EDUCATION AND LABOR,
March 11, 1946.

Hon. CLAUDE PEPPER,
Chairman, Subcommittee on
Health and Education,
United States Senate,
Washington, D. C.

DEAR CLAUDE: I must confess that I haven't had time to study the proposed Interim Report from the Subcommittee on Health and Education on Health Insurance. Neither did I have an opportunity to hear the testimony which was presented at the hearings.

However, I am in hearty sympathy with an effort to provide medical care for those

who cannot afford it and even though I may later find cause to disagree with some of the recommendations which we as a committee make, I, nevertheless, feel that the publication of this report will serve to call public attention to the dire needs of our low income people.

Therefore, reserving the right to disagree with any detailed portions of this report, I am in favor of submitting it to the full committee on Education and Labor.

Sincerely yours,

GEORGE D. AIKEN.

On page 9845 of the CONGRESSIONAL RECORD of July 23, the Senator from Vermont [Mr. AIKEN] said as follows:

I wish to reiterate the statement which I made a few minutes ago, that this report was submitted to me. I was given an opportunity by the clerk of the committee to read it. I cannot say that I had time to study it thoroughly. But it did have my approval; that is, in placing it before the full committee, or before the Senate, and if I inadvertently and prematurely passed judgment on a compulsory health bill, that is purely my own fault and not the fault of anyone else.

Mr. President, I received also the following letter from the able Senator from New Jersey [Mr. SMITH] dated March 19, 1946:

UNITED STATES SENATE,
COMMITTEE ON MILITARY AFFAIRS,
March 19, 1946.

HON. CLAUDE PEPPER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: A short time ago I received a subcommittee report entitled "Health Insurance" and I have been trying to get an opportunity to make a real study of it ever since. With the other matters pending it has not been possible to make the study of it I wanted to before commenting on the report. However, I note it seems to approve a compulsory insurance plan. I do not want to approve the report until I have had time to give it further study.

In the event you feel that the report must be made immediately to the Committee on Education and Labor, I would like to have it appear in the record that I dissent from some of the conclusions of the report.

I will try to get at the detailed study immediately and advise you further of the specific points I have in mind.

Always cordially yours,

H. ALEXANDER SMITH.

I received also on March 18, 1946, the following letter from the senior Senator from Ohio [Mr. TAFT]:

UNITED STATES SENATE,
Washington, D. C., March 18, 1946.

HON. CLAUDE PEPPER,
United States Senate,
Washington, D. C.

DEAR CLAUDE: I regret the delay in reading the interim report of the Subcommittee on Health and Education to the Committee on Education and Labor covering the subject of health insurance.

While there are a good many statements in the report with which I agree, there are others, including the recommendation of national health insurance, with which I emphatically disagree. Unfortunately I cannot at the present moment prepare a minority report. I should be obliged, therefore, if you would simply note at the end of the report that I dissent from some of the findings and conclusions reached in the report.

Sincerely yours,

ROBERT A. TAFT.

Mr. President, there were three members of the committee, the Senator from Delaware [Mr. TUNNELL], the Senator from Alabama [Mr. HILL], and the Sena-

tor from Oregon [Mr. MORSE], who had not responded and had not had an opportunity to complete their study of the report or of the subject. The staff was desirous of making the report public and submitting it to the full committee in view of the fact that an agreement had been reached that the subcommittee would go out of existence on the 1st of August. So in view of the fact that only a few days remained between the last week end of July and the 1st of August, we were desirous of getting the report before the full committee and before the public before the 1st of August. Therefore I personally approached the Senator from Delaware [Mr. TUNNELL], the Senator from Oregon [Mr. MORSE], and the Senator from Alabama [Mr. HILL], and it was agreed between them and me, as chairman of the subcommittee, that at the end of the report there should be added the following language:

Senators HILL, TUNNELL, and MORSE, because of the pressure of other business, have not completed their study of the subject of this report.

I am sure those Senators will agree that that was the understanding.

Also at the end of the report appears the following:

Senators TAFT and SMITH dissent from some of the findings and conclusions of the report.

The report was signed by CLAUDE PEPPER, ELBERT D. THOMAS, JAMES A. MURRAY, and GEORGE D. AIKEN.

Mr. President, while only four members gave their assent to the publication and filing of the report, it has been shown that only four of the nine had given their assent in that way, and it was shown that two of the Senators said that they dissented from some of the conclusions contained in the report, and it was shown that three of the Senators said they had not had time to complete their study of the subject. So it certainly was not intended to lead anybody into the conclusion that all members of the subcommittee had agreed to everything that was contained in the report.

Mr. President, there was some slight inaccuracy in the press release which, although prepared by the staff, I take full responsibility for. In one paragraph it was said that:

The report represents the substantial approval of President Truman's health message of November 1945 and the Wagner-Murray-Dingell national health bill by a bipartisan group of Senators, but neither are specifically endorsed.

As a matter of fact, the Wagner-Murray-Dingell bill is not mentioned in so many words in the report. All the report purports to do is to make a study of the various voluntary insurance plans in existence in the country, to conclude that they serve only by complete coverage in all about 3 percent of the people, that only about 25 percent of the people, if I remember the figures correctly, have any kind of insurance, and that we can never provide adequate medical care for the people unless we have a plan supported by taxation levied by the Federal Government and perhaps in addition to that, Federal appropriations to supplement it. But the Wagner-Murray-Dingell bill is

not specifically mentioned in the report and it was not intended to commit anybody to any particular piece of legislation but to emphasize the necessity of there being some kind of compulsory insurance system for the country.

Inasmuch as there was only one member on the other side of the aisle, the Senator from Vermont [Mr. AIKEN] who had given his assent to making public for whatever value they had, the facts the committee report disclosed, perhaps it was not proper to say "bipartisan," when only one member of the minority party had given his assent. If that is an inaccuracy it certainly is an unintentional one.

In no sense of the word am I minimizing the value of the comment made by the able Senator from Missouri or any other Senator. All the other reports were prepared by the staff under my direction as chairman. They were from time to time discussed on occasion, individually, with some members, perhaps not all, and finally the report was submitted before it was ever filed with the full committee to every member of the committee and the assent of the members of the committee was given before the report was filed with the full committee.

As I said, that was done with the previous four reports since 1943, as well as with report No. 5, which happens to have been the occasion of the comment.

So, Mr. President, while there may be some technical delinquencies—there no doubt are—on the part of the chairman, not in any sense attributable to other members of the committee, the chairman certainly thought that the Senators had given their assent either to say that the report might be published, though they had not had an opportunity to finish their study, but the report might be filed and data the staff had gathered after many months of tedious labor might be made available to the full committee and to the public for such value as they had.

If any Senator's position has in any way been incorrectly stated, it certainly was unintentional, and I am exceedingly sorry that inadvertently such a thing may have occurred.

I wish to say further that the Senator from Missouri was most gracious in calling my office yesterday to advise me that he expected to make some criticism on the issuance of the report. I happened to be unavoidably detained from the Senate at the time he made his remarks, or I should have been here to hear them. The Senator has been most courteous. He has indicated that there was not anything personal in what he said, and I have tried to give this explanation of what occurred.

Mr. President, I regretted to take the time of the Senate at this late hour to make this explanation, but since the able Senator from Missouri had made his remarks yesterday, and I had had no previous opportunity, I thought that, in justice to myself, if not to the committee, I was duty bound to make some statement on the matter.

Mr. DONNELL rose.

Mr. PEPPER. I wish now to address myself to the conference report for a

few minutes, but I gladly yield to the Senator from Missouri if he desires that I do so.

Mr. DONNELL. Mr. President, I thank the Senator for yielding. I shall endeavor to make my remarks as brief as possible.

First, I wish to say that we have here a situation in which a subcommittee, without even a majority of the committee approving its report, gives out to the press, through its chairman, a release, which was referred to yesterday.

In the first place, the able Senator from Florida has referred to the subcommittee as being known as a committee. Yet Senate Resolution 74, by which authorization is granted for the creation of the subcommittee, distinctly terms it a subcommittee:

Resolved, That the Committee on Education and Labor or a subcommittee thereof appointed by the chairman of the Education and Labor Committee be authorized and directed to make investigation.

And so forth. It then provides that the committee—not the subcommittee, but the committee—shall report to the Senate as soon as practicable the results of its study and investigation, together with its recommendations.

Mr. President, as I see it, what has happened is that, without the subcommittee itself authorizing the issuance of a report, there has been given out to the press of the country a very important report, the importance of which I shall emphasize in a very few minutes, and the report which goes out to the public actually contains the names of less than a majority of the members of the subcommittee as signers of the report.

The distinguished Senator from Florida referred to the fact that there might be a slight error, and I do not in any sense undertake to impugn either the sincerity or the motives of the Senator, but when he terms what appears on the release given out on the twenty-second of this month as a "slight error", I must most respectfully disagree with him.

In the first place, Mr. President, the study which is referred to in the release as being given out is stated to be "issued today." As a matter of fact, the study to which reference was made was issued back in March of this year, and bore at that time in heavy black type the words "Subcommittee Print."

Under a date in July 1946—I think only a day or so ago—the document was reprinted under a July date, the only changes I find in it being certain headings above certain tabular or pictorial illustration.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. PEPPER. I am sure the able Senator does not mean that it was given to the press for publication on that date.

Mr. DONNELL. I do not know, Mr. President.

Mr. PEPPER. What the Senator means is that the chairman appeared at the hearings on S. 1606 and stated that that had been prepared and would be published if agreed to by the subcommittee.

Mr. DONNELL. Mr. President, the point to which I address myself will become more evident in a moment. I

quoted from the release of July 22 in which the document which now comes forth under date of July 1946, is referred to as having been "issued today" by the Senate subcommittee. That document is stated to represent, quoting from the release, "the substantial approval of President Truman's health message of November 1945 and the Wagner-Murray-Dingell national health bill by a bipartisan group of Senators, but neither are specifically endorsed."

Then the release states:

These Senators are members of the full Committee on Education and Labor, before which hearings on S. 1606, the Wagner-Murray-Dingell bill started on April 2 and have continued until July of this year.

So, Mr. President, this document, which was originally prepared and dated March 1946, described upon its exterior as a "subcommittee print," now appears under date of July 1946 according to the release, as representing the substantial approval of the Wagner-Murray-Dingell national health bill by a bipartisan group of Senators, though not one word of testimony in the 35 hearings that have been held, involving hundreds and hundreds of pages, has yet been taken with respect to the Wagner-Murray-Dingell health bill.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. PEPPER. I stated a moment ago that this was a study which had been conducted by the committee during 2 or 3 or 4 years, at least 3 years, a study of the subject whether the voluntary health plans in existence were adequate to meet the needs of the people. It concluded that the voluntary plans were not adequate, and that there would have to be some kind of compulsory plan. It was prepared and ready for publication before the hearings were begun on S. 1606.

Mr. DONNELL. Mr. President, the point I make is that here in July there comes both a document, consisting of 30 pages, presented to the public with a release entitled "Senator Pepper Reports on Study of Health Insurance," stating that the report represents the substantial approval of the Wagner-Murray-Dingell health bill. Yet, Mr. President, the document had been prepared and printed before one word of testimony had been taken with respect to the Wagner-Murray-Dingell health bill.

Mr. PEPPER. Will the Senator yield?

Mr. DONNELL. I yield.

Mr. PEPPER. The Senator said a while ago—and I am sure he would not want to omit it now—that the press release immediately added, after the words he has quoted, "but neither are specifically endorsed."

Mr. DONNELL. I read that, I will say to the distinguished Senator.

Mr. PEPPER. In fact, neither was mentioned. The Wagner-Murray-Dingell bill was not mentioned in the report, was it?

Mr. DONNELL. I do not know whether it was or not. But the point I make, Mr. President, is that the release goes out as representing the substantial approval of the Wagner-Murray-Dingell national

health bill, although the testimony on that bill had not been taken when the release itself was prepared.

But, Mr. President, there is a more fundamental question involved than this. As I see it, the statute to which I have referred authorized the creation of this subcommittee by the chairman of the Committee on Education and Labor. And, secondly, the report of the subcommittee should have been given to the Committee on Education and Labor, rather than to the press at large. The Committee on Education and Labor would have had the right then to determine whether it should be given out. Without authority emanating from the Committee on Education and Labor, as I see it, the subcommittee had no right to give out publicity.

Mr. OVERTON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. OVERTON. What is the status of this report?

The PRESIDENT pro tempore. The Chair is not familiar with the report.

Mr. OVERTON. Perhaps the Senator from Missouri can tell us. What is the status of this report?

Mr. DONNELL. Of which report?

Mr. OVERTON. The report which the Senator from Missouri and the junior Senator from Florida are discussing so extensively?

Mr. DONNELL. The status of it, so far as I know, Mr. President, is that the report has been printed without authority even from the subcommittee, for there are only four out of nine members of the subcommittee who have authorized their signatures to it. Three members of the subcommittee, because of pressure of other business, have not completed their study of the subject matter of the report, and two of them have dissented from some of the findings of the report.

Mr. OVERTON. Has it been reported to the Senate?

Mr. DONNELL. It has not.

Mr. OVERTON. Why this discussion now? We are now waiting to act upon a very important matter which concerns the whole Nation, and Senators are now discussing a matter which is not even before the Senate. With all due respect to my colleagues I wish we could proceed with the regular order of business.

The PRESIDENT pro tempore. The Chair will state to the Senator that under the rules of the Senate Senators can talk about anything they wish.

Mr. OVERTON. I understand that. I merely am expressing a pious hope.

Mr. PEPPER. I know that is the wish of the whole Senate, and perhaps I should not at all have responded, but at the same time I felt that inasmuch as the Senator from Missouri had mentioned the matter yesterday, I should offer a word of explanation, and if the Senator might feel disposed that we might carry the matter forward to a future date for further discussion, I am sure we will oblige the Senate very much by addressing ourselves directly to the conference report.

Mr. DONNELL. Mr. President, I shall be very glad to follow that course of pro-

cedure, except to utter a very few concluding words, although I should like at a later date, probably tomorrow, to emphasize certain thoughts that are in my mind.

I want to say, Mr. President, that the issuance of this release has gone from one end to the other of the United States. It has been treated as outstanding, highly important news. In the New York Times of Monday of this week it appears as one of the 12 items of world news summarized on the first page of the newspaper, and on a subsequent page, namely page 18, there appears a very extensive signed article entitled "Senate Body Backs Health Insurance. Educational Subcommittee Endorses a Federal System Based On Contributions."

I shall not impose further on the time of the Senate at this moment save only to say that I have upon my desk newspapers from St. Louis, the Chicago Tribune, the Herald-Tribune, also of New York City, with an extended article entitled "Federal Health Bill Backed By Subcommittee." Yet, Mr. President, the fact is, as has been noted here upon the RECORD, that, in the first place, the subcommittee itself has not met, has not authorized the issuance of the release, and has not authorized the issuance of the report. The report should have been made to the committee itself, and not to the public, and not even a majority of the subcommittee had signed the alleged report.

I may say, Mr. President, that the press understands that the report does apply to the Wagner-Murray-Dingell health bill.

I shall not impose further upon the time of the Senate tonight, but I think a very great principle is involved, namely, whether or not a subcommittee should report to the committee itself, whether the subcommittee could act without a majority of its own members concurring, and whether or not the subcommittee should itself, or rather through one member of the subcommittee, the chairman of the subcommittee, undertake to give out officially to the public letters which can easily be misapprehended, and have been very much misapprehended, as they are, by the press.

I thank the Senator.

Mr. PEPPER. I thank the able Senator from Missouri very much.

EXTENSION OF PRICE CONTROL—CONFERENCE REPORT

The Senate resumed consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. PEPPER. Mr. President, I just want to comment briefly upon the conference report.

We all know that it would set up a 3-man decontrol board, appointed by the President, with the approval of the Senate. The board could remove the controls on any commodity. Price ceilings on meats, dairy products, grains, cottonseed, and soybeans would be restored on August 21, but would remain

ceiling free until that day. No controls would be placed on poultry, eggs, petroleum, or tobacco, unless the board recontrols them after August 21. Subject to the Decontrol Board the OPA could set price ceilings on industrial goods. The OPA would be required to set ceilings for manufacturers on an industry-wide basis for each product to reflect the average 1940 price plus cost increases to manufacturers. It would have to give wholesalers and retain distributors price ceilings reflecting their current cost of purchases plus their average percentage discount or mark-up in effect March 31, 1946. Subsidies largely designed to hold down food prices are trimmed from \$2,000,000,000 to about \$1,000,000,000.

There were being paid in subsidies about a million and a half dollars a year to keep the cost of living down about 8 percent. So if we take away that million and a half dollars in subsidies I estimate that the cost of living will go up in some proportion comparable to that. So inevitably there will be a price rise due to the removal of subsidies.

Mr. President, a laudable provision of this bill is the fact that it retains rent controls as they were on the 30th day of June, and I commend those who have made the report possible in that respect.

The consumer will pay for this measure out of his own pay envelope and savings. The cost to the consumer of the decontrol of poultry, eggs, fish, and petroleum would be \$1,200,000,000, of tobacco \$250,000,000, of the elimination of low-cost clothing \$800,000,000. The effect of the guaranty to wholesalers and retail distributors and the guaranty of 1940 average prices plus cost increases to manufacturers is incalculable.

I do not know, nor has the OPA any information to indicate the effect of restoration of controls on August 21, on meats, dairy products, grains, cottonseed and soy beans. But the OPA estimates that, if controls on these products were removed on August 21 by the Decontrol Board, the consumers of the United States would have to pay out of their pockets a total of at least \$4,300,000,000. A recent report of the Department of Commerce to the President on increases in prices since July 1 states that the daily spot market prices for 28 commodities have risen 25 percent since the lapse of OPA. These prices increased despite the fact that many selfish groups lobbying against price control have attempted to hold the line by informal agreements. In other words, price changes might have gone higher if this had not been done.

It should also be noted that wholesale prices rose 35 percent since VJ-day, whereas, in the 11 months after World War I, wholesale prices rose only 22 percent.

A part of the recent rise in prices is attributable to the elimination of subsidies. However, livestock prices have increased to such an extent as to reflect more than a removal of the subsidy.

Mr. President, who is going to be affected by what has been done? The profits of all corporations in 1945 before taxes were \$20,000,000,000 as compared to \$5,300,000,000 in 1936-39. The profits after taxes in 1945 were about \$9,800,-

000,000 as compared with about \$4,000,000,000 in 1936-39. It is estimated that 1946 earnings after taxes for many corporations, particularly in the retail field, will be above 1945 profits.

Who are the people who have to worry and struggle because of the lapse of OPA? First the wives of wage earners. Average weekly earnings of workers in manufacturing industries in April 1946 were about \$42 in comparison with about \$47.50 in March 1945. So it will be seen, Mr. President, there was an average weekly reduction of \$5.50 in March 1946 as related to March 1945 against the worker.

In the same period consumers' food prices rose as much as 3 percent, and all items which are a part of their cost of living rose about 2 percent.

Mr. President, what is going to be the effect of these price increases on the 1,700,000 persons receiving various types of old-age insurance from the Federal Government ranging from an average of about \$23 to \$81 a month? What is going to happen to the 2,100,000 aged persons receiving an average of about \$31.50 for old-age assistance per month? What is going to happen to the 310,000 families with children getting aid for them at about \$54 a month.

And, lest we forget the veterans, Mr. President, how are they going to exist, the 926,000 veterans going to school under the GI bill of rights, who are getting \$65 a month without dependents and \$80 a month with dependents? And what is going to happen to our 2,000,000 heroes of all our wars who have undergone some horrible disablement in the fight for freedom and democracy, who are getting an average of \$45.50 a month?

In addition there are millions of school teachers, college professors, clergymen, and great masses of millions of white-collar workers who also are going to have the cost of living increased without any increase in their annual compensation.

How are all these millions going to live under the proposed legalizing of inflation which would be brought about by the conference report? In 1945, 47 percent of our families had total incomes of less than \$40 a week, and had only 20 percent of the total liquid assets of the country. Families with annual incomes of less than \$1,000 a year had only \$20, on the average, in liquid assets.

A very large percentage of the population of this country—I am speaking of families, not individuals—live on less than \$1,000 a year. Those families, according to a survey which has been made, have savings of less than \$20. How are they going to weather the inflation storm? Those having incomes between \$1,000 and \$2,000 per family have \$230 in average savings. Actually more than 50 percent of those with yearly income of less than \$1,000 were unable to save anything in 1945. Twenty percent of those having incomes between \$1,000 and \$2,000 failed to save in 1945.

So, Mr. President, when we are speaking of profits to some, we must remember that we are dealing also with the livelihood of many millions of the people of this country who happen to be poor.

That leads me to say, in summary of the effect of this measure, that the measure was intended to increase the profits of a portion of our population. No one wants any producer, manufacturer, or processor to furnish his goods or services to the public without fair compensation.

But, Mr. President, we are going through a period of reconversion. We are just getting out of the aftermath of the war, and upon the tableland of peace. That is a peculiar condition, and not a normal condition. Therefore we cannot afford to strike down all the wartime controls applicable to wartime conditions until we have more nearly and completely approximated peacetime conditions, under which we do not need wartime controls.

Mr. President, the effort here has been precipitate, in my opinion. The effort on the part of the Administration to remove wartime price controls was precipitate with the end of the war. It was a grievous mistake, and I am sure the Government realized that it was a grievous mistake, in view of what has happened, because when the disastrous results of a precipitate effort to remove controls appeared to the Government it almost frantically tried to restore those controls. But I must say that the Government has not had all the help which the Government and the people might have expected from the Congress of the United States.

We knew that price control was going to expire on the 30th of June, because the law so provided. We could have started months ago to thrash out our differences with respect to the price-control bill, but we let the time drag along until we almost reached the date of expiration of the law. Then congressional disagreement could not be resolved without the price-control program going out of effect entirely. Even though we tried to bring about some kind of reenactment of the program, it is now the 24th day of July, and price control went out of existence on the 30th of June, and we have left the American people to be the victims of this abnormal condition, and to be tyrannized by a few of our citizens who would take advantage of the people for profit, even almost to the point of extortion. So while we have debated and tried to reconcile our differences the American people have been robbed of any kind of price control with respect to commodities, services, or rents. As every housewife knows better than any statistician can tell her, prices have gone up to a very great extent, in relation to nearly all the essential items which are identified with the cost of living throughout the land.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from California.

Mr. KNOWLAND. The distinguished Senator from Florida will admit, I am sure, that the country would not have been without controls from the 30th of June to the 24th of July, including controls over rentals and other commodities, if the President had not vetoed the former bill.

Mr. PEPPER. Mr. President, in law school I took a very interesting course on

the subject of proximity of causation. I do not know of any subject which is more delicate and interesting than speculating as to who is the proximate and efficient cause of the country not having price control—whether it was the Congress, which passed an insufferable law or whether it was the President, who would not give his approval to a bad law. That is a subject of almost metaphysical, if not legal, speculation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BARKLEY. I merely desire to express a pious hope that we will not, at this stage of the legislative procedure, indulge in speculative debate over who killed Cock Robin, and whether he is thoroughly dead, since we are now trying to use a pulmotor to revive him.

Mr. PEPPER. That is correct. However, Cock Robin should have the right to say whether the adequacy of the pulmotor has been established or not. Unfortunately, that is what I am afraid we are not able to demonstrate here.

In my opinion the President was absolutely correct in vetoing the last bill that was sent to him, because it was better to have no control at all, and let the people do their own policing, than to have legalized inflation when the Government has the responsibility to police, but cannot effectively discharge that obligation. So in my opinion, the President not only correctly, but courageously, vetoed the last bill that went to him.

I commend the efforts of the able Senator from Kentucky, our distinguished leader, and all those who cooperated with him in trying to secure price control for this country. I believe that every poll which has been taken indicates that the people of the country favor price control. I respect those who have a different opinion and different information; but every poll I have seen indicates that the people of the country—and by the people I mean exactly what we intimate when we say the “peepul”—the people of America, the men, women, and children who constitute the masses of America’s millions, and especially the housewives, who, with limited budgets, have the responsibility of feeding, clothing, and sheltering families, favor price control. So I commend the efforts of those who have tried to preserve price control. I think they have not only tried to do social, political, and economic justice, but they have been serving the rich as well as the poor in the efforts which they have made.

But now we are faced with another measure; and however commendable may be the efforts of those who brought it forth, I have grave doubts as to whether this measure is better than the bill which the President vetoed. I say that because, for all practical purposes, I am afraid it decontrols permanently, as it does until August 21, price controls on the essential items of the family diet—meat, and meat products, dairy products, and other items which constitute the essentials of the family diet. I realize that the conference report provides that the Decontrol Board may put those prices back into effect after the 21st of August; but we are legislating here as a Congress,

is the responsibility of the Congress to determine whether or not we are to have price control.

We are not giving the OPA authority to put these controls back. The authority goes to a Decontrol Board. We do not know what the personnel of that Board will be. While we have laid down general policies, in the third paragraph of the standards which are set out to govern the Decontrol Board we have allowed an absolutely untrammelled authority in the Board to determine whether or not it is in the public interest to put the controls back. So we are practically saying that we take them off and then leave it up to the Board to put them back if it thinks they should be put back after August 21.

What will be the situation on the 21st of August? What is it now? I realize the application of the old saw that while figures do not lie, sometimes liars figure. I realize also that there are statistical differences among statisticians. Yet, Mr. President, I do not believe that we could convince the housewives of America that there has not been a very substantial and burdensome increase in the family cost of living because of OPA going out at midnight on the 30th of June. That has occurred in the face of the prospect that any day the Congress may restore price control. None of us imagined when we debated this question that it would be the 24th of July before we would finally be ready to vote upon the conference report. In spite of all the haste and effort which has been exerted on the part of our leadership and our colleagues in this body and in the House, it is now 24 days—nearly a month—since the country was suddenly deprived of price control.

Not only that, Mr. President, but we give to the country the punishment and we deprive the people of the country of the protection of price controls for substantially another month; for today is the 24th of July, and controls cannot in any case go back into effect on these essential food items until the 21st of August, which lacks 3 days of being another month. That means that for practically 2 months the people will have been deprived of price controls on the things which today are essential to their diet.

I do not believe that will be in the public interest. I do not believe it will be to the permanent, long-range advantage of anyone. I should have preferred very much to see a clear-cut issue made in the Senate on the question whether we would continue price control as it was on June 30 and have effective price enforcement or whether we would have no control at all. I think I have been consistent in taking that position, because, as Senators will recall, when we had this subject up the first time, when the bill was passed, 17 of us voted favorably on the amendment which I had the honor to offer, which would have provided, as a substitute for the then pending bill, a simple resolution continuing OPA as it then was.

Later on, after the Banking and Currency Committee reported the joint resolution which is the basis of the pending measure, the present conference report, and when it was under consideration on

the floor of the Senate, again there were 23 of us who on an amendment bearing my name voted for a substitute to continue price control as it was on the 30th of June. I should much prefer to see a clear-cut issue made in the Senate on the question, "Do you want effective price control or do you not want any control at all," and let the Senate vote on that issue. I believe it would have been more in accord with the right course and more to the benefit of the people of the Nation.

Mr. HAWKES. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield.

Mr. HAWKES. I wish to say that I am entirely in accord with the statement the Senator from Florida has just made. If I could have had my way, the issue before the Senate would have been whether we wanted any price-control bill or no price-control bill. The measure we have received from the conference committee is neither fish nor fowl, and, in my opinion, it will do more to befuddle the Nation and keep down production than anything else we might do.

Mr. PEPPER. Mr. President, I must say that I am in accord with what the able Senator from New Jersey has said.

Prices are already out of line, according to various estimates, anywhere from 25 percent on the general level to 35 percent on wholesale prices. Imagine how difficult it would be, if we were to adopt the pending conference report and it were to be put into effect tomorrow, for the OPA or the Decontrol Board or any other Government agency to put prices back to where they were on the 30th of June. But how much more difficult it will be to do that after waiting until the 21st of August. Where will prices be then? What will the situation be then? How difficult will it be then for an administrative agency to try to pick up the broken pieces of OPA and put them into a pattern that will make sense of any consequence?

So, Mr. President, to do anything effective at all, it would have seemed desirable for the conferees to have brought from the conference a report which would have provided that OPA be put back into effect immediately—at least, as to the essential food products.

For instance, let us consider grain. I assume that grain will be affected because it is in the same category with other essential food products which I have mentioned, namely, livestock and dairy products. When we consider grain and livestock and dairy products most of the essential food items are included.

So, Mr. President, it seems to me that what we have done is to give further license and encouragement to the further disarrangement of the economy of the country, and, not only that, but by the pending measure itself we provide that that situation shall continue for another month.

What are the people to do? In the first place, what will the manufacturers do in respect to making commitments for the purchase of commodities with which to manufacture finished products? They must buy raw materials and manufacture them into finished products, and they must hire labor and must make contracts. If they make contracts on

the present market for delivery after the 21st of August, when prices may be pushed back, how are they to know how to buy or how to price the things they will manufacture for sale?

Furthermore, what are the laboring people going to do? We know that a little while ago contracts of a year's duration were made by labor engaged in the essential industries, such as railroads, mining, the electrical industry, the meat-packing industry, the petroleum industry, and several other of the major industries. We had relative stability in the labor situation because of the year-long contracts which had been executed, the first peacetime contracts which had been executed between management and labor. What will labor do? We already have a general increase of 25 percent and a wholesale commodity increase of 35 percent, at least, and we have a prospect of a further increase in the cost of living. So what are these working people to do about their contracts? Are they going to give notice to their employers that conditions have been changed by act of Congress and that they have a right to obtain redress of their wrongs by a renegotiation of their contracts? If they are going to do that, what will management say? Suppose management should say, "No; you are bound by your contract. You cannot change this wage scale." Suppose labor then says, "Yes, but we thought we had a stable economy. The Government said it would hold the line, except for slight bulges and bends. We had a right to believe that Congress would back up the Government and would hold the line except for those bulges and bends. But the Congress has gone back on both the Government and the people." If management then says, "Nevertheless, we are not going to renegotiate these contracts," what redress will labor have? Will labor be able to go into court and secure a change in the wage scale? Of course not. If no relief or redress is permitted them, it is natural that they will think of strikes. Strikes will bring about a recurrence of the situation which existed a few months ago, a situation which almost struck a death blow to the reconversion program.

So, Mr. President, what shall we have obtained? We have disarranged the Nation's economy and we have burdened a great many of our people. What have we gained, except to profit a minority of the people at the expense of the great majority. As I have said, of course we know that some people were experiencing hardship under the former situation. But I submit that it would have been better to go on under that situation and to have let those few people suffer some hardships, rather than to disrupt and disarrange the entire American economy, and indirectly, perhaps, the economy of the whole world, because what this measure will do in my opinion, to the price of wheat and the price of other grains and commodities will affect the loans we have made, and indirectly will affect the economies of the countries to which we have already given financial assistance, and I believe it will take food out of the mouths of the starving millions of people of the world, whom we have been generously trying to help.

So, Mr. President, it seems to me that the proposed step would be a mistake in regard to public policy. If only this one measure would do that, the step might be forgivable. But I say these few words because I find that the step now proposed is symbolic and symptomatic of a point of view which is becoming dominant in the Congress; and there lies the danger to the future. I believe that when we turn our eyes from the greatest good to the greatest number, and begin to legislate for the few, at the expense of the many, that is a danger to the security and strength of the Republic. I think that is what we are doing; and I think what we have done in connection with this OPA bill is paralleled in many other instances by the action or omissions of this Congress of which we have the honor to be Members.

Mr. President, that point of view will inevitably lead to economic disaster for the Nation, and it may disastrously affect the economies of other countries of the world. That tendency is essentially isolationist in character; and if it is allowed to continue it will inevitably lead us back to the situation which existed after the First World War, when the symbol of this country was isolationism and a lack of concern for the situation of the rest of the world. The history of these matters tells us, Mr. President, that the sequence of events in such circumstances is, first, inflation, then deflation, then depression, and then war. Believe me, Mr. President, for a long time men have been saying that history repeats itself.

As we look down the calendar of this Congress and find bills which have been passed and the bills which have not been passed, it will be seen that my statement can be confirmed. The housing bill is still in the sister body. The health legislation has never come out of the committee. The full employment bill was so loaded down with amendments that it was not meaningful. The minimum wage bill is doomed to defeat in this session of the Congress. Yesterday it was decided not to allow terminal leave benefits in cash to millions of veterans of the country, and, generally speaking, many persons feel that during the reconversion program we have put more emphasis on the money interests involved than on the humanitarian interests which are related to this period and this problem.

So, Mr. President, we are in a dilemma as to what to do about this particular measure. We do not know whether we should vote for the conference report or not. We all want to contribute as much as we can to price control, and yet we have grievous doubts as to whether we can effectively have price control by voting for the conference report. One of the things it will do is that it will act as an opiate and cause the people to believe, perhaps, that their Government will protect them, but only to be disillusioned later when they find that the Government does not have the power to protect them. On the other hand, if they knew in the beginning that their Government had abandoned them, they would be able to rely on self-help. I have sufficient confidence in the character of the American people to believe that in any crisis

they can defend themselves just as did the Minute Men of another period in the Nation's history against another tyranny. I fear we would do the people an injustice by leading them to believe that their Government can protect them.

Mr. President, I have petitions signed by 7,500 persons. The petitions happened to be brought to me one day. I believe those who signed them reside in the city of St. Louis.

We have seen throughout the country a spreading protest on the part of the American people who are going on a buyers' strike. I should like to see the consumers of this country put a sign over certain places or certain industries reading, "This place is unfair to the consumer." We know that labor sometimes puts signs in front of industries or stores or places of one kind or another, or puts pickets in front of them who carry signs reading "Unfair to labor." I do not know but what it would be a good thing for consumers to follow that pattern and in some proper way, and in cases where it was justified, to express public indignation by putting up an appropriate sign reading, "This dealer or manufacturer is unfair to the public of the United States."

It seems now, Mr. President, that, after all, this Congress having abandoned them to the profiteers, we shall have to rely on the people to protect themselves. For that reason, with extreme reluctance and grievous misgivings as to whether it is the right thing to do, although I have tried to do what I could in my own individual way to preserve effective price control, I am disposed to vote against the conference report. I think that if we are to cause the people the irritation, vexations, and annoyances of governmental control, we should give them governmental control which will mean something. If we are not going to do that, I think the people should know it in the beginning so that they may plan accordingly. I realize that the poor people will be in more desperate straits in protecting themselves than will be people who are in other classes. The poor people cannot go on a buyers' strike very long without hearing children cry and seeing them receive an inadequate diet.

They know, Mr. President, that they cannot weather an inflationary storm with less than \$20. Two out of five of the families of this country have less than \$40 saved up, and millions have no savings at all. I do not know what such persons will do. But I believe that we are going to hear from them in the future. I believe that we will receive many protests from them. They feel that we have not courageously stood up against the profiteer. They believe that we have come too readily to the rescue of a few and overburdened the many through the program which we are about to present to the President and to the country.

Mr. President, I believe it is the opinion of the majority of the people that they either want price control which will be meaningful, or none whatever, so that they may plan accordingly. I would rather let the people know that they must rely on their own strength than to lead them to believe that they

may rely on the Government and later realize that the Government is not in position to protect them. Once the people know that they can rely only upon their own strength, it will be seen that they will rise to another glorious victory over that which challenges their security. We shall hear from the people, Mr. President. Count upon it.

Mr. SHIPSTEAD. Mr. President, with the exception of sugar, there was no shortage of any commodity following World War I, and there was no black market at that time with the exception of a black market in sugar. I believe that the greatest cause of the shortages and black markets is lack of production. Certainly the OPA has been the cause of a shortage of production in the case of many commodities.

I believe it was in the fall of 1942 that the President served notice on the Congress that unless the Congress fixed a price on farm products he would do so himself. The Congress passed a bill containing a formula for the fixing of farm prices. The President signed it. Mr. Henderson was made head of the OPA. Mr. Byrnes was appointed as some kind of adviser. Prices were fixed by fiat. The arrogance of such an act should be sufficient to repudiate the OPA.

The OPA was called before the Committee on Agriculture and Forestry and asked upon what basis and upon what authority they had changed the formula for fixing farm prices which had been established by the Congress and approved by the President. They replied that they did so by higher authority than that of Congress, or the law of the land. They were asked by what authority they had done what they did, and they replied that their authority was an Executive order of the President. They were asked by what authority the President of the United States could issue an Executive order overriding the Congress. The committee was told that the President had issued the order. I asked, "May we have a copy of the Attorney General's approval?" I was told, "I do not know whether the Attorney General wrote an opinion. He does not have to. All he needs to do is to approve or disapprove."

Mr. President, I have had experience with the OPA. In the textile industry 10,000,000 bales of cotton were lying unused more than a year ago. The OPA had raised wages of textile workers, and I am not here to say that they should not have done so. But the OPA refused to permit the textile manufacturer to add the increased wages to the price of the product, and therefore he could not afford to buy cotton. For more than a year the textile industry was idle and practically no textiles were manufactured.

In the dairy industry the OPA fixed a ceiling on butter and not on cream. It drove cream into the black markets and closed creameries. The result was that butter cost 90 cents a pound on the black market.

Last winter, rye in the markets of America was worth \$2.07 a bushel. The OPA issued an order on January 1 to the effect that the ceiling on rye should be \$1.35 a bushel. Under that arrangement,

speculators in the United States could buy rye for \$1.35, pay to Canada the import duty, and receive \$2.08 a bushel. That ceiling remained in effect until a short time ago when the OPA ceased to operate.

I have here the market report for rye in Winnipeg on July 19, which shows the price to be \$2.81, and the cash price for rye at Minneapolis on that date was \$2.51, showing that the speculators who could buy rye here for \$1.35 reaped a profit by shipping it to Canada, and, after paying the import duty, selling it for \$2.81, where it stayed in the Canadian market.

Mr. President, these are merely a few items, and because of the lateness of the hour I shall not go into more than one or two details. Perhaps it has been explained to the Senate how the juggling of the price of corn prevents cattle raisers feeding corn to their beef. It is possible to put 500 pounds on a steer by feeding it corn, but there was a shortage because of lack of feed. There was a shortage not only of butter, but of meat, because there was no corn to feed to the animals.

To mention just one other instance, the OPA put a ceiling on muskrat skins. I do not know what the ceiling was. There was none on the meat. That resulted in another black market. The black marketeers would go to a man raising muskrats—and it is a large industry—and if he had some muskrat hides the producer might refuse to sell for more than the ceiling. But the black marketeers, if the man had a mink, perhaps worth \$20, in order to get the muskrat hides away from the competitor might bid on the mink fur, or the skin of the mink, from \$150 to \$200 or \$300 in order to get the muskrat hides.

These are a few examples of what was going on under the administration of OPA. I called these things to their attention time and time again, but was met only with arrogance.

I could take up the time of the Senate for another hour giving any number of instances of this kind. In my opinion, the only excuse for voting for the conference report at all would be to keep rents from being used for profiteering purposes.

Mr. TAFT. Mr. President, I shall detain the Senate for only a few moments. The fundamental difference between those who are in favor of the report and those opposed is that those who are in favor of it feel that there should be an OPA of some kind, some price control, during the next 6 months to 9 months. Those who are opposed to the report are really those who believe there should be no price control. I certainly recognize the strength of that position, and the fairness of it. But it seems to me that all the talk about the conference report and the details of the joint resolution is really by the way.

We are up against the same proposition we have faced before. If anyone thinks there should be some control other than rent control—which perhaps might be provided for by special resolution—it seems to me there could be no choice except to vote for the report. If one thinks there should be no control, except in the

case of rents, he should oppose the report.

I feel very strongly that the criticism made of the conference report and the conferees is wholly and completely unjustified. In the first place, it was said that I had said that the joint resolution gave Mr. Porter more power than he had ever had before. I never said anything of the kind. In fact, every provision, every section of the bill, is a restriction on the power of the Office of Price Administration. There is no section which does not reduce the power which that office enjoyed until the 30th of June. That is true of decontrol.

Without the elaborate provisions, the OPA would have complete power to control or decontrol, control one day and decontrol the next, and recontrol the following day, if they wished to do so. All the decontrol provisions are restrictions on the power of OPA.

Nor is the bill in any sense, as was alleged, a surrender to the President. Looking at his veto message, we find that he makes a number of stipulations as to what the bill should contain. He says in his veto message:

The bill should authorize the continuance of stabilization subsidies on a scale sufficient to avoid serious increases in food prices during the next 6 months and to permit the orderly termination of subsidies during the first half of 1947. In my judgment, an authorization for the expenditure of a billion and a quarter dollars during the year as a whole is the minimum necessary for these purposes.

We are giving him the same billion dollars which we gave in the first bill, which he criticized.

He says further in his message:

The bill should lay down a congressional policy with respect to the termination of price controls and subsidies. I approve the provisions of paragraphs (a), (b), and (c) of the proposed new section 1A of the Price Control Act contained in section 3 of the present bill. These provisions call for the orderly removal of all price controls and subsidies during the course of the coming year, with the exception only of those commodities which, on or before April 1, 1947, the President finds to be still in critically short supply and for which he asks and secures authority for continued control to be administered by some established department or agency of the Government other than the Office of Price Administration.

I would not oppose the formulation of standards for the decontrol of particular commodities, as provided in H. R. 6042, or the establishment of an independent Price Decontrol Board to review these applications—provided that the standards were modified to make sure that, during the next crucial 6 months, ceilings do not have to be lifted where it is clear that serious price rises would result.

Yet we require in this support that ceilings must be lifted in the case of most of the commodities if supply is equal to demand, regardless of what happens to price. In other words, we turn down the President's formula for decontrol.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Does the Senator mean by that statement to say that the price of the commodity is not to be taken into consideration in determining the relationship between supply and demand?

Mr. TAFT. Correct. It says the Decontrol Board shall not decontrol any agricultural commodities unless, first, they are in short supply, no matter what may happen to the price. Then it must be found, in addition to that, that the price has already increased substantially. Then it must also be found that the commodity is one which can be effectively controlled, as obviously meat cannot be.

Mr. PEPPER. If the Senator from Ohio will allow one further question, does he think it is possible to establish any relativity between supply and demand without any price criteria?

Mr. TAFT. I think it is a proper thing to be introduced into the formula, but the formula in the bill which was passed by the Senate, the formula in the joint resolution, and the formula in the conference report, all say that there shall be decontrol if supply equals demand, regardless of the price. The President wanted to have the right to say, "I think the price may go up even though supply equals demand, and therefore I want control." We do not give him that power. He said further:

I ask the Congress also, if it gives me responsibility for carrying out a measure of the kind I am urging, to permit me to do this through a unified or effectively coordinated administrative organization and not to handicap me by legislating an unsound split of authority.

In other words, he objects to the independent powers given to the Secretary of Agriculture, and we have added to that the additional separate power of a price decontrol board, with very considerable discretion taken away from the Price Administrator.

The President says further:

I would not object to a provision which expressly requires the adjustment of price ceilings wherever this is necessary and would be effective to increase the total production of needed goods.

We disregard entirely his formula, and state that there must be a formula regardless of whether production is needed or not. The formula is not quite so strong, but it is substantially the same formula.

So I think the charge that the conferees have yielded to the President is entirely and utterly unwarranted, and one which those who make it cannot sustain.

Mr. President, I wish to point out, further, that the conferees sat, I think, for 5 days. We met a situation in which four of the House conferees absolutely refused to agree to the permanent decontrol of anything. Those four conferees were appointed by the House. The House had the joint resolution back, and had an opportunity to instruct their conferees. The matter was considered in the House, and that was not done. Knowing who the conferees were, the House voted to them absolute power to take any position they desired to take, and they took the position that there should be no decontrol expressly and permanently provided in the joint resolution.

There was no way I could see to change that situation. I do not know how many votes we took, but at least a majority of the Senate conferees voted to insist

upon decontrolling specific commodities, exactly as provided in the joint resolution as it passed the Senate.

Mr. CORDON. Mr. President, I understand the Senator to say, and I understand the majority leader to say, that in their respective opinions this is the best compromise that could come out of the conference. I accept their statement. However, I want to get my mind clear on this point: The Senator from Ohio just stated that the House conferees absolutely refused to go along with any provision for decontrol of specific items on a permanent basis. Were they as adamant on the proposition of decontrol of specific items with the right of the Secretary of Agriculture to recontrol? Would they have gone along on that?

Mr. TAFT. I think they might have gone along with that, yes. The appointment of the members of the decontrol board, however, was more satisfactory to me than to give the power to the Secretary of Agriculture.

Mr. CORDON. The reason I make that inquiry, if the Senator will yield further, is that with reference to the items of livestock, and so forth, found in 8 (A), on page 4 of the report, the Congress knows that as to those items they are not in scarce supply. They are now in boom supply. All the hearings which have been held by all committees have given us that information and impression. As to grain and livestock, we have the Department of Agriculture itself on record as to the fact. In other words, as I view it there can be no dispute about that fact. The supply is available to fill the demand, and in some instances there is a greater supply than there is demand, which will continue, not for a month or so, but will be available for the full year for which it is proposed to extend price control. In view of the fact that there can be no question about the adequacy of that supply, how can we justify turning over to the Decontrol Board the responsibility of determining a fact, which we ourselves know, as the result of months of hearings, is a fact?

Mr. TAFT. The Senator makes a very good argument, an argument which was made by the Senator from Colorado and myself and the Senator from New Hampshire in the conference committee. I am not arguing with him. I stated earlier my views on the subject of supply, which are not unlike those stated by the Senator. I am only trying to answer briefly the charge that the conferees gave away something that they did not have to give away. My only desire is to point out that the House Members, four of them, refused to do anything in the way of specific decontrol. And I think Friday night, if I remember correctly, the Senator from New Hampshire [Mr. TOBEY] moved that the conferees agree to disagree.

Mr. TOBEY. I did.

Mr. TAFT. We attempted to report back a disagreement to both Houses, which was the only possible way to bring about a vote in the House. We were unable to obtain a majority in favor of any efforts to agree to disagree. So then we were faced with the problem of simply sitting there and having the conferees say, "The conferees on the part of the two Houses have reached a disagree-

ment, and consequently there is no OPA bill."

Personally I would rather have those who do not want a bill vote it down. I do not object if Senators vote it down. If that is the sentiment they entertain, they ought to vote it down. But I certainly do not desire to go to the country with the statement that the conferees had broken down in their efforts to do anything about OPA because the House and the Senate conferees could not agree. It seemed to me that when we reached that point, the Senator from Maryland [Mr. RADCLIFFE] was entirely justified in offering the compromise which was offered and which I think was not an unreasonable compromise. I think before the conference committee got through with it they got it into such a complicated state that it is difficult to understand, but I think the basic idea of the compromise was a reasonable one. It had been contained in the various bills from the time we began to consider them, because if we go back to the first bill which was introduced and reported from the Banking and Currency Committee, the amendment offered by the Senator from Arizona [Mr. McFARLAND] to decontrol meat and decontrol dairy products, which was adopted by the Banking and Currency Committee, provided expressly that they could be recontrolled.

On the Senate floor it was stated that it was at that time intended that they should be subject to recontrol. No one tried to change it on the Senate floor. It was in the former bill until it went to conference, and decontrols came out entirely. Then when the measure came back to the Senate, when we were discussing it here before, I do not think it was as clearly set forth in the new bill that there was to be recontrol. Certainly it was ambiguous. I read the section in the Senate at that time to the Senator from Kentucky, and said this on July 12:

The question I want to ask the Senator is whether he thinks that applies not only to the commodities which have been decontrolled by the Secretary, but also those which have been specifically decontrolled.

Mr. BARKLEY. That question arose, as the Senator from Ohio no doubt recalls in the committee while the Decontrol Board provision was under consideration, and also while the provision of the bill putting the authority and responsibility on the Secretary of Agriculture to recommend decontrol was being considered. My recollection is that it was the consensus of opinion of the members of the committee that that provision of the law would authorize the recontrol of articles taken out from under control, whether by the Administrator or by the Congress itself.

I read only part of the discussion—

Mr. TAFT. It occurs to me it is a point of great importance, and one that should be clearly settled.

Mr. BARKLEY. It is a matter of great importance, because if there is any theory upon which we would assume that an article decontrolled by the Secretary of Agriculture could be recontrolled under conditions which might subsequently exist, the same reason for a recontrol with the written consent of the Decontrol Board, without which it cannot be done, ought to apply to any decontrolled article, regardless of the process by which it was decontrolled.

The Senator from Vermont then asked the same question.

Mr. AIKEN. Then the purpose of this section of the measure is this: If after certain agricultural commodities are decontrolled the price rises temporarily, and then settles back to a level perhaps a little higher than it was before the decontrol, under such conditions the Secretary of Agriculture would not have any power to restore controls over those commodities. However, if the price rises after decontrol and does not stop, but keeps right on rising and appears to be going to a dangerous height, then the Secretary would have the power to recommend that controls be replaced on such agricultural commodities, and the Administrator would be required to do that.

Mr. BARKLEY. That is correct. But the Secretary of Agriculture would have to have the written consent of the Decontrol Board in any event.

We had that discussion. No one questioned it. I myself thought it was somewhat ambiguous, and that when we went into conference we at least would have to clarify it. But certainly no one in the Senate objected. No one rose on his feet and said, "It is outrageous that you should give the board power to recontrol when we have given specific power to decontrol." When we came to compromise that was a very sound ground, it seemed to me, on which to make a compromise, and that was the basis of the compromise proposed by the Senator from Maryland. I may say this discussion related to the measure which went to conference, and which is now back in the Senate. It did not relate to the former bill.

Mr. CORDON. My question goes not to the power to recontrol by affirmative action upon the establishment of any given state of facts, such as too high a price, if it is based upon price alone, or scarcity, but to recontrol being authorized negatively by nonaction upon the part of the decontrol board, without any finding of fact. I wish to ask the distinguished Senator from Ohio whether in his opinion, if this conference report were rejected and the matter were sent back to another conference by reason of insistence upon the Senate's amendments, that incongruity could be taken out of the measure. It would be rational legislation with that out; and it is senseless with it in.

Mr. TAFT. I do not agree with the Senator. I admit that it is awkward, but all I have to say is that the Board is directed to make that finding and consider the important commodities with respect to which decision should be made at the earliest possible moment. The Board is directed to take that question into consideration and decide it. If it acts in good faith, it makes no difference what happens on August 20, when it does not act, because I am quite satisfied that it must act on these commodities by August 20.

Mr. BARKLEY. Mr. President, will the Senator yield to me with reference to the attitude of the House conferees, which he was discussing a moment ago?

Mr. TAFT. I yield.

Mr. BARKLEY. The House conferees were adamant with respect to decontrol. They took a separate vote after a long conference by themselves. They came back and reported that they would not

accept decontrol. My recollection is that they did so more than once. They never yielded on that subject until the Senate conferees offered this compromise with respect to the Decontrol Board. I am certain that the House conferees never indicated any willingness to yield on the question of decontrols until this proposal had been made, which resulted in the provisions of the joint resolution as they now appear, not only giving the Decontrol Board authority, but directing it to consider the prior importance of decontrolled items, and to take action by the 20th of August.

Mr. TAFT. The compromise offered by the distinguished Senator from Maryland [Mr. RADCLIFFE] simply provided that there would be a recontrol board which might recontrol any of the articles at any time. The House refused to accept that provision.

Mr. BARKLEY. That is correct.

Mr. TAFT. They then introduced the idea of going backward and providing that action must be taken on these commodities within 15 or 20 days.

Mr. BARKLEY. Until the Senate conferees indicated a willingness to give the Decontrol Board the power to deal with the subject the House conferees indicated no intention, desire, or willingness to yield on the decontrolled items.

Mr. TAFT. That is correct.

I have only one further point to make. In effect charges have been made that members of the conference committee looked after their own interests and paid no attention to the interests of the Senate. That charge related to a number of members of the committee. It was suggested that the distinguished Senator from Kentucky [Mr. BARKLEY] took care of cotton, and therefore cared about nothing else. As a matter of fact, the situation with respect to cotton has been the same in all the bills. Cotton has never been controlled. All the joint resolution provides is that a commodity which has not heretofore been controlled shall not hereafter be controlled. Certainly this is no time to extend regulation to include controls which were never imposed during the war. That seemed to me to be a reasonable provision. The subject was never a matter of discussion in the committee, and so far as I know, that provision was never objected to by anyone.

In the second case it was suggested that the distinguished Senator from Maryland took care of his poultry and eggs. I can testify that the Senator from Maryland was always more interested in the decontrol of meat than he ever was in the decontrol of poultry and eggs. If I remember correctly, the suggestion regarding poultry and eggs came from the House Members, who, in a way, sorted out the group of meat, dairy products, and grain, which must go together. They felt that poultry and eggs could be handled separately. The Senator from Maryland had nothing whatever to do with the proposal.

As to the decontrol of tobacco, that has always been agreed upon if there were to be any specific decontrols at all.

With respect to petroleum, the formula for recontrol is more difficult in the

joint resolution as it now stands than it was in the measure as it passed the Senate. That subject was certainly of no particular interest to any member of the committee.

So far as my amendment is concerned, my amendment was insisted upon by a majority of the House conferees. They made it a condition of any action; and the changes which were made, which strengthened the amendment, were made at the suggestion and insistence of the House conferees, without suggestion from me. The House conferees took the curious position, from the standpoint of the Senate, of insisting that we must have a proper price formula, but that we must have no decontrol—a more or less logical position, perhaps, but opposite to that of the Senate in both respects, so it was not easy to agree. Both that amendment and the amendment formerly called the Wherry amendment were strengthened in the committee at the insistence of the House conferees, to which, of course, I was perfectly willing to yield. As a matter of fact, I believe the Senator from Kentucky was not unwilling to yield.

So, Mr. President, I believe that the charge that the conferees have in any way given away anything to the President, or given away anything to the House, or have tried to feather their own nests, is utterly and completely unsupportable.

Mr. WHERRY. Mr. President, I should like to answer the distinguished Senator from Ohio briefly. Some of the things which I said this afternoon seem to have got under his hide. He is excitable. Let us get the record straight. The Senator from Ohio stated that I said that the majority leader took care of cotton. If the Senator will look at the record, he will find that I did not say that. I said that he took care of tobacco. Is not that correct?

Mr. TAFT. No; I heard the Senator.

Mr. WHERRY. The Senator can look at the record.

Mr. BARKLEY. Mr. President—

Mr. WHERRY. Just a moment. I have the floor. I wish to answer the Senator from Ohio.

Mr. BARKLEY. I do not deny that the Senator has the floor. I merely wish to ask the Senator to yield.

Mr. WHERRY. I am glad to yield.

Mr. BARKLEY. The Senator can go ahead.

Mr. WHERRY. It is perfectly all right. Apparently I got under the hide of both the Senator from Ohio and the Senator from Kentucky.

Mr. TAFT. Why not, if my motives are impugned?

Mr. WHERRY. Mr. President, my motives have been impugned. The Senator from Ohio says that the conferees did not give away anything. They did give away something. They deleted meat control from the joint resolution. They gave that away. They deleted milk control from the joint resolution. They gave that away. They did not come back to the Senate and say that there was a disagreement. They did not offer to resign. They did not come back for further instructions. They gave those things away

after the Senate voted 49 to 26 to decontrol meat, and 51 to 27 to decontrol milk.

It is a pretty weak defense for the Senator from Ohio to rise on the floor and try to prove by some theory that the conferees did not give away something. I wish to read the words of the Senator from Ohio:

Mr. TAFT. Mr. President, in the first place, I wish to express violent opposition to the idea that we are going to put in something which is to be rewritten in conference, or that the joint resolution is going to be rewritten in conference.

I do not have time to look up all the references in the RECORD to show whether or not the senior Senator from Ohio stated that Paul Porter would have more power. I distinctly remember his statements—and I shall produce the RECORD—wherein the Senator from Ohio stated that Paul Porter would have the right to determine what could be produced in this country, what the price should be, and what the profit should be. If that is not more power than any price administrator ever had, then I should like to be shown where it can be found. I wish to quote from the RECORD showing what the Senator from Ohio said he would not do. The Senator from Ohio said:

Mr. President, in the first place, I wish to express violent opposition to the idea that we are going to put in something which is to be rewritten in conference, or that the joint resolution is going to be rewritten in conference.

That is exactly what was done.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAFT. The statement was made in connection with the proposal that an amendment be put in to be taken to conference—that is, not to be taken seriously by the Senate, but to be taken to conference.

I was objecting very strenuously to the theory that we would accept something with the understanding in advance that we would rewrite it. That statement had nothing to do with what might necessarily result from a conference.

Mr. WHERRY. In reply to that statement, I wish to say that I had a talk with the distinguished Senator from Ohio. I had a motion prepared to instruct the conferees not to recede from the Senate amendments. He stated, "I think this matter has been clearly taken care of by the statement which was made on the floor of the Senate." He told me personally, "I am going into that conference, and we are not going to rewrite this measure. We are going to stand by the things we wrote into it."

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. Certainly, I yield.

Mr. TAFT. Let me state what the situation was. At the time when the conferees were to be appointed the Senator from Nebraska was thinking of offering a motion to instruct the conferees not to recede from the specific decontrol provisions adopted by the Senate. I advised him that I was very much afraid that the motion would be defeated and that then we would be in a weaker position than if we let the matter alone.

Mr. WHERRY. Mr. President, let me say—

Mr. TAFT. Mr. President—

Mr. WHERRY. Mr. President, do I have the floor?

Mr. TAFT. But let me say that I still believe that if that motion had been offered it would have been defeated.

Mr. WHERRY. Mr. President, do I have the floor?

The PRESIDENT pro tempore. The Senator from Nebraska has the floor.

Mr. WHERRY. I wish to read what was said at that time, and then I shall conclude. It is not necessary for anyone to break in on the reading. Of course, I realized that when I read the Senator's statement about how he would defend the amendments in the conference, he probably would not like to have that statement read. But what he said then is what I relied on and it is what other Senators relied on:

If I am one of the conferees I shall insist upon every provision the Senate places in the joint resolution.

He said he would insist on every one of them. He further said:

We are not going to rewrite the joint resolution in conference. In my opinion, the conferees should stick by whatever the Senate places in it, unless the House is willing to vote on the measure and turn it down for some particular reason, because the House has taken no action.

But the conferees did not do that. They did not disagree. They did not come back and report on the situation. I relied upon that statement, and I think every other Senator relied upon it.

The Senator from Ohio said further as I have just stated:

The House has taken no action.

That was true, and the House never did take any action in that respect before the conference report was brought back by the conferees. We did not give the House an opportunity to vote on those matters before the conference report discontinuing the specific decontrols, as provided for by the Senate, was brought back from the conference.

I read further from the statement made at that time by the Senator from Ohio:

I dissent from the theory that we are going to put something in the joint resolution and then rewrite the whole measure in conference.

In the second place, so far as the proposal of the Senator from Kentucky is concerned, I think it is utterly and completely impracticable. We cannot control the price of wheat for one purpose and not for another purpose.

And so forth. Mr. President, I appeal again to the Members of the Senate that, as one of the Members of this body, I depended entirely upon the good faith of the Senator from Ohio, when those words were spoken and placed in the CONGRESSIONAL RECORD. I say now, on this very night, that if the conferees had disagreed, and if the conferees on the part of the Senate had come back to the Senate for instructions, and if we had forced the House to take a vote on the specific decontrols, I think we probably might not have had the difficulty with some of the controls that we now have.

Mr. TAFT. Mr. President, will the Senator yield to me? I should like to make one statement.

Mr. WHERRY. Very well.

Mr. TAFT. As I have stated before, we found that there was no choice except either to agree or to continue to disagree and do nothing. There was no way in which we could come back for instruction. There was no way, over the opposition of the House, by which the House could be made to vote.

Consequently, the question is a very simple one. This conference report provides the best terms we could make. The Senate is free to reject the report. Personally, I had great doubt whether to vote for it myself, but I decided to do so. That is the way the Senator from Nebraska can obtain the decision. If a majority of the Senate does not like the report, it has authority to vote it down. Under those circumstances, the conference report will be defeated, but we can request a further conference with the House of Representatives and can ascertain whether we can do better in working out the matter with the House.

Mr. WHERRY. I am in agreement with the Senator.

Mr. TAFT. So that is the question. After all, the question is not whether the conferees should or should not have done what was done, although, as I have stated, I think we did all that we possibly could do unless we wanted to present to the country and to the Congress a picture of the efforts breaking down entirely.

So if the Senate does not like this compromise, the Senate can vote against it, and can send it back for a further conference with the House.

Mr. TOBEY. Mr. President, will the Senator yield to me?

Mr. WHERRY. I yield.

Mr. TOBEY. The Senator from Nebraska has, if I understand the English language, impugned the good faith of the Senator from Ohio [Mr. TAFT]. I wish to say that I have been associated in the Senate with the Senator from Ohio since 1938. I have not always agreed with him. We have had different viewpoints on legislation, both national and otherwise. But I wish to pay tribute to him today. I do not rise in his defense, but I do rise to pay tribute to my colleague the Senator from Ohio as a man of great ability and a man of intellectual honesty. Whenever he takes a position, he is sincere in it, and he goes through with it.

I have served with him on two conference committees. I sat with him on hearings which lasted 5½ weeks. I say that BOB TAFT, of Ohio, has measured up to the highest standards of American citizenship and of statesmanship and of service in the Senate and in the conference committees. I resent the imputations which have been made against the work of BOB TAFT. He did his very best. I worked with him. We have worked together on many matters. I affirm that he did the best job that it was possible to do.

I am very earnest in saying with all the sincerity of which I am capable that we did the best we could do, going through

to the limit with no strings on us, trying earnestly to maintain the position of the Senate on the specific decontrols it voted.

Mr. WHERRY. Mr. President, I thank the Senator from New Hampshire for his contribution.

Mr. MILLIKIN. Mr. President, let me say that I did not sign the conference report. For a number of reasons, I did not do so. One of them was that I thought the House conferees outsat us and outmaneuvered us.

Another reason was that the result which we were asked to bring back to the Senate, and which we did bring back to the Senate, was, in my opinion, a complete reversal of the strongly expressed sentiment of the Senate on price decontrol.

I am not interested in these charges regarding personal motives, nor am I interested in whether the President will or will not be pleased with what we have done. But I did not sign the report because I thought we were outsat and outmaneuvered and that the report reversed the sentiment of the Senate.

Mr. WHERRY. I thank the Senator from Colorado dearly for those words.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. WHERRY. I shall be glad to yield the floor, unless the Senator wishes to ask me some questions.

Mr. RADCLIFFE. Mr. President, I most certainly am not going to trespass on the time of the Senate at this late hour. I merely wish to state what has previously been stated: namely, that the Senate and the House disagreed, and there was no possibility of having one yield to the other. Of course, the conferees on the part of both Houses could have disagreed, and the disagreement could have been reported to the respective Houses. But such a delay would have caused distress or, at least, confusion.

Then we tried to do what people usually try to do under such circumstances. We tried to ascertain some basis of agreement. That is what conferees are expected to do, and that is what they usually try to do.

I had the pleasure of offering an amendment by which each side made some concessions. I do not know how we can measure exactly whether the points the conferees on the part of the Senate yielded were larger than the points the conferees on the part of the House yielded; but there were substantial concessions by both sides, and then we agreed on the report. That seemed to be the orderly way to proceed. It seemed to be the only way we could proceed, and under the circumstances it was the best measure we could bring out.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. BARKLEY. Mr. President, I do not care to delay a vote, but in view of the controversy which has arisen with reference to the conferees and the result of the conference, I wish to make a very brief statement.

We will all recall that in the first bill which the Senate passed, and which the President vetoed, there were inserted, on

the floor of the Senate, certain decontrols, including decontrols over livestock, meat, poultry, dairy products, tobacco, and petroleum. They were practically the same decontrols as those which were contained in the bill which was passed later, except with reference to cottonseed and soybeans.

That bill went to conference. The House conferees would not yield on any of those specific decontrols, and in order to reach an agreement the Senate conferees yielded on them. When the conference report came to the Senate, all the specific decontrols in that bill had been eliminated. The conference report was adopted. There was some objection to the elimination of the decontrols, but there was nothing like the fuss which has been made over the provisions in the pending conference report. When House Joint Resolution 371, the pending measure, went to conference it had, in addition to the decontrols of the former bill, decontrols of cottonseed and soybeans.

When we got into conference we recognized, of course, that we could not ask the House conferees to yield on everything. They would not ask us or expect us to yield on everything. It must also be recalled that when the House passed House Joint Resolution 371 it merely continued price control as it existed on June 30, until July 20. That is practically all there was to it. So the measure that went to conference was the joint resolution as passed by Senate which contained everything in the previous bill which had been passed by the Senate, except as to soy beans and cottonseed. It changed section 11 involving the so-called Taft and Barkley amendment.

When we reached the conference we met with the same situation as that which existed in the previous conference. The House conferees would not yield on the question of decontrols. They stood adamant. They held a private conference of their own and returned to us and reported that they would not yield to us. We sat from Tuesday until Saturday. We made no progress. We discussed whether we should report a disagreement to the respective Houses. In any event, whatever we did had to go back first to the House and be voted upon there. We had no power to compel the House conferees to take the matter back to the House for a vote. We recognized that, after all the efforts we had made, and after all the discussion we had had on the question of price control, it would somewhat discredit the Congress for the conferees to break up and admit that they could not get together on any kind of an agreement.

Late Friday afternoon a suggestion was made with respect to a compromise with regard to decontrol. We adjourned with the understanding that we would think it over. The next day we assembled at 10 o'clock in the morning and remained in session until 8 o'clock Saturday night and worked out this compromise. To say that the Senate was out-manuevered or outplayed is not accurate, because practically everything in this conference report is the Senate measure which was a

substitute for the joint resolution passed by the House.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MILLIKIN. On the Friday night to which the Senator refers, the distinguished Senator from Maryland came in with a full compromise for decontrol which, had it stopped there, so far as I am concerned, would have been acceptable. But we were reversed in that formula, and in suffering that reversal we suffered a complete defeat in the view of the Senate so far as decontrol is concerned.

Mr. BARKLEY. Mr. President, I do not agree with the Senator from Colorado. We presented a formula to the House conferees which they would not accept, and then the two sets of conferees worked out what is now in the conference report.

Mr. MILLIKIN. Mr. President, will the Senator yield further to me?

Mr. BARKLEY. I yield.

Mr. MILLIKIN. I have no crystal globe, and I cannot say it with certainty, nor can the Senator rebut with certainty what I am about to say, but it seemed to me that had we sat a little longer and remained adamant a little longer, or at least had we come back to the Senate for instructions, or had provoked a situation wherein the House conferees found it necessary to go back to the House for instructions, we could have come back to the Senate and said, "Gentlemen, we have done the best we can do and this is the best compromise we could reach."

I do not believe that we handled ourselves in such a way as to produce either a clean-cut expression of opinion on the part of the House, or a clean-cut expression of opinion on the part of the Senate.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. BARKLEY. Mr. President, whether we handled ourselves according to the standards by which the Senator from Colorado would like to have seen us handle ourselves, is a speculative question.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MILLIKIN. I did not sign the report.

Mr. BARKLEY. I understand that. Evidently we did not handle ourselves in a way which suited the Senator from Colorado.

Mr. MILLIKIN. Precisely.

Mr. BARKLEY. The Senator is correct.

Mr. MILLIKIN. Precisely.

Mr. BARKLEY. If we had handled ourselves as the Senator desired—

Mr. MILLIKIN. I would have signed the report.

Mr. BARKLEY. Yes; and I would not. [Laughter.]

Mr. RADCLIFFE and Mr. TAFT addressed the chair.

The PRESIDENT pro tempore. Does the Senator from Kentucky yield, and if so to whom?

Mr. BARKLEY. I yield first to the Senator from Maryland.

Mr. RADCLIFFE. Mr. President, I wish to call attention to a matter which may not be of importance, but it is one of chronology.

The proposition which I brought forward was not brought forward on Friday, but 2 days previously. The first proposition submitted to the House was earlier in the week. It was turned down and another was tendered, which was modified, but the proposition which I suggested did not become acceptable. I want to emphasize that the conferees did not consider only one proposition for a few hours and then stop. The proposition which I presented was before the conferees in various forms for several days.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I have studied considerably the parliamentary situation. We could not get the House to agree to disagree.

Mr. BARKLEY. No.

Mr. TAFT. We must first agree to disagree before the conferees will go back to the House. All we could do was to sit there and continue disagreeing day after day and throughout the week, and finally, as many conference committees have done, just pick up and quit. I do not know what we could have done except to agree on something and bring it back to the Senate. We had no other choice. We could not come back for instructions. There was no provision for it, nor could the House conferees return for instructions.

Therefore, Mr. President, I do not know what we could have done except to agree on something and bring it back to the Senate for the Senate to say yes or no. The Senate is now in position to do that. The Senate can say no and ask for another conference. But, because of the position which the majority of the House conferees took, we could have sat there until doomsday without accomplishing anything. I may say that I do not believe they were particularly anxious to get a bill. In fact, if the Senators want to know it, I am not at all sure that the President wants a bill. I want a bill. I think there should be controls to a certain extent, and, so far as I was concerned, I was willing to pursue the policy which would have made it possible for the Senate, at least, to get a bill or not get one. I think that the conferees on the part of the Senate took the only right course which they could have taken, namely, by submitting the best amendment we could get the House conferees to agree to.

Mr. BARKLEY. Mr. President, I agree with what has been said by the Senator from Ohio except that I disagree with his statement that the President does not want a bill. I do not believe that what the Senator has said is an accurate statement of the President's viewpoint. I know the President wanted a bill and still wants one. I still maintain, as I did in the beginning when I urged him to sign the other bill, that I have not changed my mind. But that is a different matter. The President exercises his authority under the Constitution, and we are here now with another

bill. As I said a moment ago, we could not compel the House conferees to disagree.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. BARKLEY. I will yield in a moment.

SEVERAL SENATORS. Vote! Vote!

Mr. MOORE. Mr. President, I wish the Senator to yield so that I may ask a question.

Mr. BARKLEY. I yield.

Mr. MOORE. The Senator from Kentucky has said that he believes the President will sign this bill. Does the Senator believe that this is a better price control bill than the one which the President vetoed?

Mr. BARKLEY. Mr. President, I said this morning, in my explanation of the conference report, that in my judgment, on the whole, it is a better measure than the bill the President vetoed.

I do not know that any word of commendation from a Democratic Senator would be welcomed by the Senator from Ohio, or would be of any value to him. Nevertheless, I wish to state for the benefit of his colleagues, if it is worth anything, that during these 5 days no man stood out more firmly and more vigorously for the terms of the Senate joint resolution than did the Senator from Ohio. But the Senator from Ohio, as all other Senators, must recognize the fact that when there is a fundamental disagreement between the House and Senate on important legislation, somebody must step forward at least a little in order that the two Houses may get together, and the Senator from Ohio, in working out this compromise, was constructive and broadminded, and he contributed to the possibility of an agreement of any kind on the legislation which now presents itself.

Now just one further word—

Mr. WILSON. Mr. President, will the Senator yield?

Mr. BARKLEY. I am not going to yield any further to any Senator at the moment.

The PRESIDENT pro tempore. The Senator from Kentucky declines to yield.

Mr. BARKLEY. The Senate has a right to reject the conference report if it desires to do so, but I wish to state that if it should do so, it would take a great risk of there not being any legislation whatever.

It is a peculiar situation we face. Those who do not want any control at all are going to vote against the conference report, and apparently some of those who want more control than the joint resolution contains are going to vote against the conference report.

Mr. President, that presents a very grotesque bedchamber scene. It reminds me, if I may illustrate what I have in mind, of a story I heard not long ago, of an elderly unmarried lady who went into a furniture store and said to the clerk, "I have an old-fashioned double-bed, and I want to trade it in for twin beds."

"Well," he said, "that is an unusual request. What is the object?"

"Well," she replied, "I am an old maid, and I live alone, and every night before I retire I look under the bed to see if

there is a man there. If I have two beds, my chances will be double." [Laughter].

Mr. President, I wish to say a word about the Decontrol Board. In the language of the joint resolution, we have set up what we describe as an independent board, a bipartisan board. Not more than two of the three members can be members of the same party. When we wrote into the proposed legislation the provision that it should be an independent Board, we meant independent; we meant that it was not to be an appendage of any other department.

The members of the Board are to be confirmed by the Senate. I feel certain that I speak the sentiments of the President, because, without quoting him, he has indicated his desire to appoint the best possible board that can be obtained, a board which will be independent, a board which cannot be charged with being a stooge of any department of the Government of the United States. It may depend upon the independence and integrity and ability and character of the Board, in the next period, whether the Board will be successful in operation or not.

Therefore, I am going to take the liberty to say that I do not believe anybody should be appointed to the Board who has at any time had any connection with the OPA, because no matter how outstanding or able or independent such a man might really be, if one were appointed who had had any connection in the past with the OPA, he immediately would be under the suspicion that in some way or other he had been appointed to carry out the policies of the old OPA.

I have no doubt that the President will appoint the best Board he can appoint. It is not easy to find men who will give up their business for a year, even under patriotic impulses, but I know the President will seek to find such men, and I hope he will find them, and will send their names to the Senate for confirmation before the Congress adjourns.

Mr. President, I hope the conference report will be agreed to because we need legislation, and if the report is not agreed to there is a grave risk we may have no legislation on the subject at all.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MOORE. Mr. President, I realize that we have been here considering this matter for 11 hours, and that is entirely too long. I think the exertion of such pressure is not justified, because of the importance of the matter under consideration. I could not let this opportunity go without expressing my views to the Senate as to what I think the legislation is going to do. I do not believe this question should be voted upon tonight, but I think it is going to be.

Mr. President, I am not conscious of ever in my life wanting anything more than that the American people be relieved from the reimposition of price control on them. I have no consideration whatever for the political repercussions in reference to it. As the Senator from Nebraska has said, I believe that this measure will strangle production. I be-

lieve that it is my duty to do everything I can to prevent the adoption of this proposed legislation, yet I am not naive enough to expect I can change any votes of the Senate, but I am going to do everything I can to that end.

I think, Mr. President, that the speech made today by the Senator from Nebraska [Mr. WHERRY] was one of the finest that has been made on this floor since I have been a Member of the Senate. If it does not change any votes, it will at least make those more uncomfortable who vote for the conference report. I hope at least it will have that effect.

I do not expect to devote very much time to my remarks, because I know that what I may say will not be welcome, but I wish to read, with my full approval, a statement made today by Arthur Krock as a special contribution to the New York Times. The article reads:

FACE SAVING ON OPA—SECOND CONTROL COMPROMISE POSES ACADEMIC AND POLITICAL ARGUMENT

(By Arthur Krock)

WASHINGTON, July 23.—There will be an argument, partly for face-saving purposes, as to whether the second legislative compromise on price controls is nearer to or further from the administration's position than the first one, which President Truman vetoed. The argument is academic as well as political because only the second can be put to the test of operation. But what is certain and demonstrable, if the bill becomes law, is that the administration will retain mechanical control of such price fixing as remains. And this means that, subject only to popular opinion and compliance, the measure can be used to supervise the national economy to the uttermost limits obtainable by elastic interpretations of its text.

This mechanical control is retained through the provision that over the Office of Price Administration there shall be a Board of Decontrol appointed by the President, who already has his own nominee, Paul Porter, at the head of the OPA. The Senate must consent to those chosen by Mr. Truman to be the three members of the Board before they can serve during a session of Congress. But in the event the Senate should reject one or all of those appointees, the President would still hold the upper hand for these reasons:

SENATE ACTION A KEYSTONE

Congress wants to adjourn next week or as soon thereafter as possible. If the Senate adjourns without acting on the nominations, or after rejecting one or more of them, Mr. Truman can then invest the same persons with the same duties by making recess appointments, which would be valid until the Senate meets again. In that period the administration could manage price control as it chose, subject only to the limitations of the act as construed by Government attorneys, also executive appointees.

The Senate, if a controversy over nominees should arouse its majority to that extent, could sit out a contest with the President, during which there would be no Board of Decontrol. But the will to adjourn makes this improbable. And then also, automatically, on August 21, controls would go back on meats, dairy products, grains, cottonseed and soybeans and their products, and the administration has been fighting hard for this restitution. The Senate might also, by rejecting one or more of the nominees for the board, persuade the President to substitute other names before adjournment. But that is about the only possibility that congressional influence can play any part in the mechanical control of price fixing for the remainder of

the life of the OPA, and this part would be indirect.

PRESIDENT'S POWERS A FACTOR

This situation, which arises from the constitutional power given to the President to administer the laws passed by Congress, may explain why the new measure is being called acceptable by executives who opposed the first extension bill. It contains many of the sections which Chester Bowles called "cripples" and "booby-traps." It removes, for a period at least, controls on meat and other articles for which the administration fought long and uncompromisingly. Senator ROBERT A. TAFT, whose price-control ideas the President singled out for the major part of his attack on the former compromise, says that in large measure the latest version meets two of his most important objectives: Profit margins sufficient to restore production, and a single industry standard instead of an over-all standard. Moreover, the bill sets up the Board of Decontrol against the original wishes of the Administration.

But it leaves operation to the Executive and the power to appoint those who will do the operating. The discretion it does not invest in the Board it leaves to the OPA, another executive arm. If the President signs this measure, a part of the explanation is to be found in those provisions, for section by section the bill, as Senator ALBEN W. BARKLEY, the majority leader, prophesied is no better (from the administration standpoint) than that vetoed by the President. And, comparing these sections with various statements by Mr. Bowles, it is worse, as Mr. BARKLEY said it might be.

ECONOMIC CONTROL MAINTAINED

However, control over the national economy is maintained as a principle, and this condition is dear to the hearts of the New Deal social economists and the labor leaders with whom they are in political alliance. They appear also to have persuaded the President that, if after this bill becomes law, production spurts and price levels stabilize—even if they are higher—he can claim and get public credit for these results and for having prevented inflation by vetoing the former measure.

On the other hand, they have advised Mr. Truman, if the consequences are near the Executive predictions of what would follow any modification of the old law, he can hedge sufficiently in his message of reluctant approval so that Congress will get all the blame.

Mr. President, I have read that article with full approval. Notwithstanding that the majority leader the Senator from Kentucky [Mr. BARKLEY], has stated to the press today that the opposition to this OPA measure has broken down and that there will not be more than a few speeches made against it, we are here now until 11 o'clock tonight. Notwithstanding that the Senator from Ohio [Mr. TAFT] has said that there will not be more than 25 votes cast against it, I am still here urging the Senate to reject this measure.

Before I close, Mr. President, I am going to give the honor and the credit to a few people, from a diversified number of places in the country, by reading into the RECORD the statements contained in their telegrams which I have recently received. The first telegram I shall read comes from San Francisco, Calif. I have picked telegrams from various communities and dealing with various subjects:

SAN FRANCISCO, CALIF., July 22, 1946.

Hon. E. H. MOORE,
Washington, D. C.:

Understand that compromise bill makes no provision for rent relief. Without the Knowland amendment this industry is

greatly prejudiced. Either rent should be included with all other commodities to cover increased costs or there should be a general 15-percent increase as has been allowed in most States and municipal remedial bills.

OWNERS AND LESSEES APARTMENT
HOUSE ASSOCIATION,
CHARLES A. CHRISTIN, *President*.

Here is one from Minneapolis, Minn.:

MINNEAPOLIS, MINN., July 23, 1946.

Hon. E. H. MOORE,
Washington, D. C.:

OPA conference bill setting up super control board to be followed by Truman appointment of left wingers as members is a double-crossing trick repeating the board of review set-up in the 1944 amendments and would leave manufacturing industries subject to same illegalities and vicious practices as before. This is Paul Porter's evident reason for favoring conference bill. I urge rejection.

JOHNSTON MFG. CO.,
W. E. JOHNSTON, *President*.

Here is one from St. Louis, Mo.:

ST. LOUIS, MO., July 23, 1946.

Hon. E. H. MOORE,
*Senate Office Building,
Washington, D. C.:*

Dressed beef prices continuing considerably lower. This leveling of prices applies to wholesome federally inspected meats. Ample supplies available. Reenactment of any type of meat control provisions may prove official blessing to black market operators.

ST. LOUIS LOCAL MEAT PACKERS ASSN.,
A. F. CERSEN, *Secretary*.

Here is one from Columbus, Ohio:

COLUMBUS, OHIO, July 22, 1946.

Hon. E. H. MOORE,
*United States Senate,
Washington, D. C.:*

The new OPA bill is about the most muddled thing ever devised. If passed will leave the country in more confusion, just what is wanted by Socialists and Communists. If a business wants decontrol it will take four or five months or more to get a decision. No business can operate successfully under these conditions. Rent control should rest with the State, if national should contain a clause, local boards must make decisions within 30 days.

W. S. TAYLOR.

Here is one from my State of Oklahoma:

CHICKASHA, OKLA., July 22, 1946.

Senator Ed H. MOORE,
*Senate Office Building,
Washington, D. C.:*

We hope conference OPA report will be defeated. Think the people should not be forced under a government by presidential appointees. We are entitled to a free market under a government of law.

M. E. HUMPHREY.

And here is a telegram from New York:

NEW YORK, N. Y., July 23, 1946.

Hon. E. H. MOORE,
*Senate Office Building,
Washington, D. C.:*

You and 50 other Senators voted to adopt Wherry amendment decontrolling dairy products. You did this because you realized that impractical administration of controls over dairy products was rapidly curtailing production and denying to the consumer the right to purchase dairy products he wanted. We have now had 3 weeks with free markets and dairy products are readily available and prices are leveling. To again impose regulations on dairy industry would cause a chaotic condition, tremendous losses to dairy industry, and irreparable damage to small manufacturers of dairy products. We ask you to kindly continue your sup-

port in permanent elimination of dairy products from any revamped OPA legislation.

MIDLAND COOPERATIVE DAIRY
ASSOCIATION,
WALTER PAGE.

Here is one from Oklahoma City:

OKLAHOMA CITY, OKLA., July 23, 1946.
Senator Ed MOORE,
*Senate Office Building,
Washington, D. C.:*

It doesn't make sense that the cost of maintaining 35,000 OPA'ers for precinct workers in November will reduce prices. They should be fired now so they can find jobs producing something other than chaos and confusion.

W. E. AMEND.

Here is one from Fredericksburg, Va.:

FREDERICKSBURG, VA., July 23, 1946.
Hon. E. H. MOORE,
*United States Senate, Senate Office
Building, Washington, D. C.:*

You and I both know food prices will level off quickly if Congress keeps OPA dead. A dead OPA means a dead black market. Revive OPA and you revive the black market. You cannot expect the producer of meat and food to expand while at the mercy of unreasonable controls, and most people know they have been unreasonable in the past. OPA sings a nice song that they will reform but we all doubt it. America was free. Do your duty and keep it free.

O. C. ZEICHEL.

Here is one from Chicago, Ill.:

CHICAGO, ILL., July 21, 1946.
Hon. E. H. MOORE,
*United States Senate,
Washington, D. C.:*

From what I read of compromise on OPA bill it looks like a "half slave and half free" proposition on commodities which should be completely free from price control. So far as petroleum industry is concerned, it would retain power to restore price control in hands of Control Board and OPA, and certainly would deprive the industry of being restored to any semblance of running its own business under competitive principles of free economy as well as holding continual threat of re-control. Another year of OPA price control under authority granted in compromise will in my judgment lead to utter chaos. It has been shown we can get along without OPA regimentation, and the longer it survives the more difficult it will be for the country to get back to an even keel. If they do not intend to reassert price-control powers, why give to this power-seeking group the authority which you know they seek to retain over our whole economy. I hope you will oppose this compromise as an economic monstrosity.

WALTER S. HALLANAN.

I have read these statements coming from men with whom I have slight, if any acquaintance. I assume that they represent the interests which they purport to represent.

Mr. President, the adoption of the conference report would reimpose complete price control and at the same time decontrol the price controllers. The conference report is a complete victory for the regimenters and a socialistic-minded administration, which is bent on giving the American people a permanent controlled economy. Through the press and by innuendo the President has thrown up a thin and obvious smoke screen to the effect that the bill will be signed reluctantly. The fact is—and any child knows it to be true—that the administration and its gang of regimenters are tickled to death with the legislation.

They have far more latitude under this bill than they ever had under the original Price Control Act. It is a travesty upon justice, an insult to the legislative body, and a double-cross of the American people. When a small group of administration-controlled conferees can force through both Houses of the Congress a piece of legislation that neither House would have originally passed, then the legislative branch of our Government has broken down. Through scare propaganda, the threat of purges, and the threat of a veto, of which some Members of Congress are politically fearful, the conference report will be pushed through Congress, probably with a substantial majority, and the economy of this country will be held in the palm of the administration's hand, to manipulate as whim or fancy may dictate.

The standards set up in the act are no standards at all and would be immediately stricken down by any bona fide court. The tragedy of the situation, however, is that we do not have a court to which an appeal may be made. The present Supreme Court would find the unlimited authority delegated to the price controllers in this act a perfectly legitimate legislative act. The fatal day is put off until August 20, which simply means more and greater confusion in the meat and dairy industries and all allied business. Likewise the uncertainty and confusion will continue in the petroleum and tobacco industries. If we are to submit to a controlled economy, then why do we not frankly put the controls back on now and end the uncertainty, because everybody knows, under the standards set up, what will happen?

The administration is to appoint a Decontrol Board under this act that will have complete freedom of action, according to their own whim or fancy. What type of man do Senators think will be appointed to this Decontrol Board? If Chester Bowles and Leon Henderson are not proposed as members of the board, then others of the same type, character, and thinking will be proposed, and the Senate, as in the past, will approve them on the theory that they are personal appointees of the President; and if they have not actually been convicted of crime they will be confirmed.

Meat, poultry, and dairy products were relieved from price control by one vote less than a 2-to-1 majority. That was the considered judgment of the Senate, after long and careful deliberation. It was the considered judgment of the Banking and Currency Committee when the bill that the President vetoed was written. It was the judgment of the Senate Committee on Agriculture and Forestry. It was the unanimous judgment of the meat, cattle, dairy, and poultry industries. It was the judgment of an overwhelming majority of the people of the United States. But, of course, it was not the judgment of the regimenters and the administration which, as I have said before, is a captive of the CIO-Communist front. Yet I anticipate that a majority of the Senate will meekly and humbly submit to the demand of an administration that has already proved itself wholly incompetent in every respect.

The standards by which these industries are to be returned to the black marketeers are:

First. That prices have risen "unreasonably" above the unfair and unreasonable prices that were in effect on June 30, 1946. What is "unreasonable"? "Unreasonable" is anything that the administration decontrol board may say it is.

Second. When the commodity is in short supply and its regulation is "practicable and enforceable." What does that mean? Can the majority leader or any other Member of the Senate say what is meant by "short supply" or what the administration decontrol board will determine is short supply?

Does it mean domestic consumptive demand? Does it mean the backlog of supplies that are on the farms, in the warehouses, and on the counters of the country? Is our obligation that we have assumed to feed Communist Europe and Asia to be included in this consideration? Then what is "practicable"? The practicability of price control, and we all know this to be true, will depend upon the whim or fancy of this administration-dominated Board; and is there anyone who does not believe the administration is in full sympathy with the idea of having a permanently controlled economy?

Third, that the public interest will be served by recontrols. Has this Senate forgotten that it is the constitutional duty and obligation of the Congress to determine what is in the public interest? Are we now to delegate that exclusively legislative function to an appointive Board that we know will be made up of starry-eyed crackpots like Henderson, Bowles, and Porter, or perhaps Rosenman?

Who is this fellow Porter who is to run our controlled economy? He is a young advertising man who managed the publicity campaign for the New Dealers in the last campaign and was paid off by being given a job in the Federal Communications Commission. Now, because of his knowledge of publicity propaganda and mass-selling tactics, he is given the job of managing the economy of the whole country. What industrial experience has this fellow ever had that would qualify him to understand the mechanism of free enterprise?

In the first place, he does not believe in the principles of free enterprise. He does not believe in the law of supply and demand, and he frankly told the Senate committee that he was in the business of causing the law of supply and demand not to work. His predecessor, from whom he took lessons in the art of regimenting the people, has frankly said that we can no longer depend upon traditional methods in this country, and that we must return to and continue the controls imposed upon the people during the emergency of war.

Mr. President, let no one be fooled by this act. It is exactly what the price controllers want. The President is tickled to death with it, and he will sign it the minute it hits his desk; and then the New Deal will be back in partnership with the black market, just as it has been in partnership with the labor racketeers,

and just as some of the New Dealers went into partnership with the war-contract crooks during the war. And then the American people will again be shackled with the chains of regimentation, and our country will continue on the same road that brought ruin and destruction to Germany and Italy.

Now is the time for liberty-loving Americans who cherish the Constitution and believe in our form of government to take a stand. We have taken many steps down the road to destruction. A few more steps such as this will be fatal, not only to those who resisted it, but to all those who supported it, as well, because when collapse does come and production bogs down and the inflation spiral gets out of hand because of lack of production, the regimenters and the controllers will be consumed, just the same as the other people.

Some of the supporters of OPA point to the inflation in China and the inflation in the Communist-dominated countries of Europe as examples of the inflation that threatens us. Do they not know that the inflation that is consuming those countries has been brought on because of the kind of government under which those countries labor? Do they not know that it is the stoppage of production that has caused it? Do they not realize that the inflation is the direct result of regimentation of the people in those countries? The same people who now support a controlled economy for the United States have been the beneficiaries of our form of government. Their standards of living have been raised above those of all other peoples of the world because of the constitutional freedom of our business enterprise. They should understand that these principles, and only these principles, will bring back to America the stability of economy that means the happiness and the well-being of all of our people, and incidentally, of all the other peoples of the world.

Mr. BALL. Mr. President, I wish to take just a few moments to read an editorial which appeared in the Washington News of July 19. The editorial expresses very well and a little humorously my own good faith in the American consumer's ability to take care of himself without having Paul Porter or Chester Bowles hold his hand 24 hours a day. I have not been greatly concerned over the controversy as to whether the conference report is good, bad, or indifferent, because I am against the continuation of OPA in any form, shape, or manner. So regardless of whether the conference report is good or bad, I am against it.

The editorial reads as follows:

THEY COULD BE WRONG

Back in the intimate recesses of Washington's cocktail lounges the small-fry President-makers speak of long-term strategy. It goes something like this:

Forget about OPA. Let prices skyrocket. Let the consumers get a bellyfull. They will then be in a mood for some real planned economy. That will be the clear-cut issue to elect a President in 1948.

This newspaper will do its best to avoid crystal gazing, but there are signs, however inconclusive, that these serious-minded and self-appointed architects of a new day may have their blueprints balled up.

Such signs as, for instance, strong resistance to rising prices dating from the end of OPA, including Wednesday's break in poultry quotations, Thursday's drop in Chicago livestock prices, reductions in butter prices when Mama refused to pay 90 cents to a dollar a pound, a note in the Wall Street Journal that big retailers are beginning to worry about getting stuck with high-cost inventories, ads offering much-wanted goods at less than OPA prices, and so on.

It is basic in the philosophy of one type of liberal that the American consumer is a poor, forlorn lug with no spunk and less sense. If you don't hold his hand on the way to the grocery, he'll blow the roll on a pack of gum, with nothing left for such necessities as rent, gin, hamburger, nylon hose, and thin little books about the wonderful world of tomorrow.

It could be that these liberals are right. If so, they may have something in this argument for a totalitarian planned economy as a desperate measure to save this American fool from his folly.

But even assuming the necessity, there is reason to fear that their cure may be at least as bad as the disease.

For planned economy requires planners—and planners, as well as consumers, may sometimes be mistaken.

Recall, for instance, the assumption that depression would follow the war's end. Unemployment would be 8,000,000 up. Disastrous deflation was on the way. So the plan called for wages to be forced up abruptly to provide "purchasing power" in this new 1933. The idea that wages had anything to do with retail prices was brushed aside as a mere detail. Get away boy, you're bothering me.

Instead of deflation we got inflation. Instead of unemployment we actually have labor shortage in many spots, men's clothing for instance.

The tendency toward runaway prices, which started well before the end of OPA, may be attributed, at least in major part, to this just slightly cockeyed plan.

We do not share this "liberal" low opinion of the American consumer.

We dislike to view this consumer as a digit in a Government book of statistics. We prefer to personify her in the form of Mama, pay check in one hand and market basket in the other.

It is risky, we think, to assume that Mama is fool enough to pay whatever is asked. In the first place she is limited by Papa's pay check. In the second place, even if she had the money, her pride would prevent her from playing sucker.

Mama is the person the Washington storekeeper had in mind when he explained to a reporter why he still didn't have any meat.

"Meat at that price?" said the storekeeper. "I won't fool with it. My customers wouldn't stand for it."

Multiply Mama by a few million and you have what an economist might term a "strong anti-inflationary influence." Your merchant, your manufacturer, your farmer are a lot more scared of Mama than they ever were of Chester Bowles or Paul Porter.

And if Mama and her tribe, who constitute the American people, are such fatheads as these liberals think, how did we ever do so well in the days before planned economy got into the language?

How did we ever cut down the trees, build the homes, farms, and factories which made us big and strong to lick Hitler, arm and feed the world?

If the country has lost the spunk and common sense which made it, may the Lord help us. We doubt if these long-term planners can.

We are not, as we said, going into the predicting business, but we think there is some slight justification for the belief and hope that these cocktail-room strategists may be wrong—again.

SEVERAL SENATORS. Vote! Vote!

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. WILLIS. Mr. President, I cannot allow this issue to come to a vote without associating myself, at least for the RECORD, with the Senators who have this day fought so valiantly for the restoration and preservation of the American free way of life.

Only 3 weeks ago we got out from under the painful influence of the OPA. A great deal of relief was felt throughout America, and for the 3 weeks, during which we got along without the OPA, I must say that we did a very good job. We have seen returned to our tables those things which had been missing for a long time, and we have seen evidences of a feeling of great relief on the part of the American people. Tonight we are deciding the issue of whether, on the 20th day of August, we are automatically to return under the same controls, and under the same system of regimentation and restrictions on the American people which has existed so long.

Mr. President, I am opposed to the adoption of the conference report because of several reasons. First, by adopting the report we will tell the people of America that we have lost faith in their ability to discipline themselves, despite the fact that for 3 weeks they have demonstrated that they can discipline themselves in a very creditable manner.

Second, the conference report provides for an average productivity ability in America. We are asked to see that the American people shall be placed on an average economy instead of telling them to go ahead and produce at full speed the things which are needed in order to stop inflation and meet the needs of the American way of life.

Mr. President, I am opposed to the conference report because it freezes again upon the National economy the inequities, the injustices, and the uneconomic practices which have stymied production, hindered business, and denied the American people goods which they so much need and to which they are entitled.

I am also opposed to the conference report because, under it, in 3 weeks we will again be forced to live not under the institution of law but under the rule of boards and bureaus, a procedure which is poison to the American way of life and which we must get rid of if we ever wish to restore the well-balanced economy which has made America prosperous and happy.

I am further opposed to the conference report because it says, in effect, to the people of the Nation that they are not able to discipline themselves, and must put themselves under the guardianship of men who have given no demonstration of ability to conduct the business and affairs of the American people better than they themselves can conduct them.

Mr. President, in the few words which I have uttered, I want the RECORD to show my reasons why I shall vote to return this report to the conference committee and ask that they bring back one which is consonant with the wishes of the American people.

Mr. McCLELLAN. Mr. President, tonight the Senate is confronted with the necessity of making a very difficult and a very serious decision. This is no occasion for us to try to favor this one or that one, or someone else. But, as we vote tonight we must try in all seriousness and sincerity to do, under the circumstances and under the issue which is presented to us, what is best for the great group of Americans whom we strive to represent.

Mr. President, from the time the issue arose I have felt that during the transition and reconversion period there was the need for authority in connection with the establishment of ceiling prices which would serve the best interests of America. For that reason, I have favored a measure of controls.

The price-control law, under which we operated during the war was to terminate and did terminate on June 30. With that fact confronting us, there developed in America two divergent viewpoints. There were those who thought that all the rigid controls of the war should be continued for some time at least, and I believe that some thought such controls should be continued indefinitely. There were those who thought that there should be no controls whatever, and that we should immediately revert to the American system of free enterprise without any controls.

Mr. President, between these two extremes I have tried to find a sound course, and I believe there is one. Without any controls at all during the reconversion period there would be those who would take full advantage of the situation. If I wanted to be specific I could cite rents. If we take off all controls from rents there are many persons who will take advantage of the free opportunity to impose intolerable hardships upon tenants by raising rents to extortionate levels in order to get rid of tenants who were undesirable, or purposely for the opportunity to gain and to make profit.

Mr. President, there are many issues before us in connection with the pending joint resolution which might very well lead us to vote for no controls at all and yet serve the interests of the country, but, in my judgment, we cannot abolish controls over rents and allow rents to go unchecked so that any landlord who may desire can raise them to any level he wishes.

There are many things which, if the prices go too high or become unreasonable, the consumer or user can do without. But that is not true with reference to shelter. Today there is not an adequate supply of shelter, of housing, of facilities for living quarters for Americans. We all know that to be so. It does not exist, and I know, as every other Member of the Senate knows, that it will not exist tomorrow. Supplying housing is a program which will take perhaps a year, and when I say a year, I think I am being most conservative. I think it will take possibly 3 or 4 years, under favorable conditions, to supply the housing and living quarters needed to meet the demand. That is a reality. It is not an exaggeration or an extreme statement. During that period, in justice to every American, and certainly in justice

to our servicemen who went away and fought the battles of democracy and made the sacrifices on foreign soil, there should be a continuation of rent controls.

I do not believe that rent controls should be held at the level at which they were originally established in every case. I think that the increased cost of maintenance and other conditions warrant some allowance, and I would feel we were fully justified in enacting a provision of law which would authorize the making of some allowance for the changed conditions with respect to rental values.

I have no interest in landlordship. The only buildings I owned did not have the rents raised during wartime. They were commercial buildings, and I might have raised the rent at any time. The point I am trying to make is that, although there may be the authority in this instance to raise rents, we are not justified in doing it simply because there is the authority. Though we may not be justified, there are many who, with or without justification, would take advantage of the opportunity to do it.

Therefore one of the principal reasons why I shall vote for the conference report is that rent control is involved. I shall vote for the conference report, but passing from that, I wish to comment about some other features of the measure.

Throughout the tortuous course of this legislation there has been a great fight to decontrol certain commodities and certain foods and other things which are essential to the life of the individual citizen. In the past in the case of most of the basic foods of the country we have always operated on the basis—and it is true of any democracy—of the law of supply and demand. Today we are trying to regulate and control and place ceilings on many commodities which are vital to the life and to the existence of Americans.

At the time price control ended, at the time the law expired, and at the time Americans, as many would say, were set completely free to proceed under the law of independent enterprise and free enterprise and the law of supply and demand, there was a great many supplies, a great many food products, which were not on the market for the average citizen. People might walk into the grocery store and ask for butter, or they might ask for steak, or they might ask for bacon, or something else, but under the ceiling prices it was not available to the legitimate buyers; it was not available in the legitimate market. Since controls have been removed and since OPA died, as every Member of the Senate knows, the truth is, and it cannot be refuted, that as the opportunity was given the markets were supplied. The goods were there. They were at a little higher price, and everybody knows that, because we had to take into consideration the fact that subsidy ceased, and that prices of foods which had been subsidized would naturally rise at least to the point of the subsidy.

Mr. President, I shall support the conference report, and I hope the results flowing from it will not be as bad as some seem to fear. What we are trying to do is to prevent inflation and prevent prices of the necessities of life from getting out of control. Under OPA we had rigid

controls. We had controls which were arbitrary and under which the average man—and we hear a great deal about the common citizen—did not have butter on his table and could not buy steak. The common citizen was the one who was handicapped. But, Mr. President, the millionaire, the man who had plenty of cash, could go into any night club anywhere in America, in Washington, D. C., or any place else, and get the choicest steak, and it was not a steak which was bought at OPA ceiling prices, and everyone knew it.

In the war period we all agreed that controls were necessary. Although they caused injustices, yet we were fighting a war which we were determined to win, and controls were fully justified. But in that transition period back to something like normalcy, I feel there should be practical sense applied to any sort of controls. When I say that I mean that I believe—and want to make the statement emphatic for the record—that under the Price Control Administration as it existed at the time the OPA expired, price control was not responsive to practical application at all, but was absolutely arbitrary and was never used or administered to bring about decontrols, but instead was operated and administered for the sole purpose of perpetuating eternally economic controls in America. For that reason, Mr. President, I have not agreed with Mr. Bowles, who was the Administrator of OPA and later Stabilization Administrator. I believe that his philosophy was directed toward the perpetuation of OPA and not towards decontrol.

This measure provides for a Decontrol Board. I am voting for it in the hope—and I emphasize the statement—that decontrol means decontrol. I do not mean decontrol without justification, but I mean decontrol where justification is manifest and the reason for it established.

Mr. President, I believe the administration owes to the American people simple honesty. If we can have simple honesty, and let decontrols as they are justified become operative and established, I predict, Mr. President, that in less than a year, we will be back to the system under which Americans are Americans; that we will have free enterprise, that fair prices will be fixed by those who want to sell which will be accepted by those who want to buy, and if prices are too high and if those who have goods to sell want to sell them at prices that the public will not pay, they will encounter such sales resistance as will compel them to reduce their prices. That is the American system, and I hope we will return to that system.

Mr. President, there is one compelling need for control—if I did not think so I would vote against the conference report—but I think it is compelling because I think the home is the most important thing we have to consider in connection with this measure, a place in which to live, in which to find shelter. That is something we cannot ignore in considering the measure. We cannot brush that point aside. If the conference report is defeated there will be no controls over rent, there will be no con-

trols over housing. I believe we ought to have some controls over rent and housing. I do not say that the present ceiling is right. I think it is wrong. I think many injustices are done to landlords and I think such injustices ought to be corrected, and that we ought to legislate to correct them. I voted for an amendment to the previous bill which would make some allowances and increases. It was not the kind of amendment I would prefer to see adopted, but it was one which gave some consideration to this subject. Yet at the same time, I am not taking up the cudgels for the landlord as such, or as a group, because I know many landlords who, if we should throw the doors wide open, would become extortionists and use their position, and their power and their ownership to become exacting, to be almost cruel to many of their tenants, and I do not want such a thing to occur. I want to keep reasonable controls over this absolute necessity of life.

Mr. President, we are trying tonight to reenact some form of a price-control law. The success of this law and the efficacy of it in the end will not be determined by the vote we cast here tonight. We may pass the measure, and I assume we shall do so, but, the test of this law is not in what Congress does. The test of it is in how it is interpreted and construed, and administered. I want the RECORD to show that, because this measure is so complicated, there is not a Senator on the floor who knows exactly what it means. I challenge any Senator to stand up and to tell me and the American people that he knows exactly what the measure means.

So it will have to be interpreted. We are hoping. We are trusting. We are trying to do something right. We are trying to do the best we can under the circumstances for the American people. I know that to be true as I vote for it. I know that in its interpretation by the administrative agency of the Government, and in its actual application after we pass it, it may prove to be not a boon to our economy, not a measure which may bring order out of chaos, but an implement which may be used to produce greater chaos and more disrespect for OPA and for price control. There is a great deal of disrespect today for OPA, and it is the result of arbitrary powers and unreasonable and irrational construction placed upon the Price Control Act.

Mr. President, I am a Democrat. I want my party to endure and to be successful. But whether a Senator be a Democrat or a Republican, I believe that any Member of this body owes conscientious expression to those whom he represents.

Mr. LUCAS. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. McCLELLAN. I yield.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. I have been in and out of the Senate Chamber during the day. Is there any understanding as to the

time when we shall vote upon the conference report?

The PRESIDENT pro tempore. None whatever. We have passed the hour of 12 o'clock; and if the Senator wishes to know what the Chair thinks, in the opinion of the Chair we have only started.

Mr. McCLELLAN. Mr. President, in conclusion let me say that I realize that the Members of the Senate are weary. They have very diligently and honestly sought a solution to this serious and trying problem. The hour is late. I regret that I have spoken for so long; but, I am sincere. The efficacy of the measure we are about to adopt will depend—and I say it with all the emphasis in my soul—upon the integrity, honesty, and intelligence of those who administer it. I hope that ultimately it will be administered for the best interests and welfare of America.

The PRESIDENT pro tempore. The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REVERCOMB (when his name was called). I have a pair with the Senator from Wyoming [Mr. ROBERTSON]. If he were present and voting, he would vote "nay." If I were at liberty to vote I would vote "yea."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES], who, if present would vote "nay." I transfer that pair to the Senator from Montana [Mr. WHEELER], who if present would vote as I intend to vote. Being at liberty to vote, I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Idaho [Mr. GOSSETT] are absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Arizona [Mr. McFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

On this question the Senator from Wyoming [Mr. O'MAHONEY], who would vote "yea" if present, is paired with the Senator from Iowa [Mr. HICKENLOOPER], who would vote "nay" if present.

If present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Missouri [Mr. BRIGGS], the Sen-

ator from New Mexico [Mr. CHAVEZ], and the Senator from Idaho [Mr. GOSSETT] would vote "yea."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. He has a general pair with the Senator from Utah [Mr. THOMAS]. If present he would vote "nay."

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine Independence ceremonies.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Wyoming [Mr. ROBERTSON] is absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] has a pair on this question with the Senator from Wyoming [Mr. O'MAHONEY]. If present the Senator from Iowa would vote "nay," and the Senator from Wyoming would vote "yea."

The result was announced—yeas 53, nays 26, as follows:

YEAS—53

Aiken	Hayden	Morse
Austin	Hill	Murdock
Barkley	Hoey	Murray
Brewster	Huffman	Myers
Burch	Johnson, Colo.	Overton
Byrd	Johnston, S. C.	Radcliffe
Carville	Kilgore	Russell
Connally	Knowland	Smith
Cordon	La Follette	Stanfill
Donnell	Lucas	Stewart
Downey	McCarran	Swift
Eastland	McClellan	Taft
Fulbright	McKellar	Taylor
George	McMahon	Thomas, Utah
Gerry	Magnuson	Tunnell
Green	Maybank	Wagner
Guffey	Mead	Walsh
Hart	Mitchell	

NAYS—26

Ball	Hawkes	Tobey
Bilbo	Langer	Vandenberg
Brooks	Millikin	Wherry
Buck	Moore	White
Bushfield	O'Daniel	Wiley
Capehart	Pepper	Willis
Capper	Reed	Wilson
Ferguson	Shipstead	Young
Gurney	Thomas, Okla.	

NOT VOTING—17

Andrews	Ellender	Revercomb
Bailey	Gossett	Robertson
Bridges	Hatch	Saltonstall
Briggs	Hickenlooper	Tydings
Butler	McFarland	Wheeler
Chavez	O'Mahoney	

So the conference report was agreed to. Mr. BARKLEY. Mr. President, I move that the vote by which the conference report was adopted be reconsidered.

Mr. CONNALLY. I move to lay that motion on the table.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

AMENDMENT TO RAILROAD RETIREMENT ACTS, ETC.

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business, being the bill (H. R. 1362) to amend the Railroad Retirement Acts, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code; and for other purposes.

ADDITIONAL REPORT OF A COMMITTEE

Mr. FERGUSON, from the Committee on the Judiciary, to which was referred the bill (S. 2456) to provide for the reestablishment of the United States Employees' Compensation Commission with the same functions which it had prior to the time Reorganization Plan No. 2 became effective, reported it without amendment, and submitted a report (No. 1831) thereon.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

James Clement Dunn, of New York, now an Assistant Secretary of State, to be Ambassador Extraordinary and Plenipotentiary to Italy;

Harry F. Hawley, of New York, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general;

The following-named persons to be representatives of the United States to the second part of the first session of the General Assembly of the United Nations to be held in New York City, September 1946:

Warren R. Austin, United States Senator from the State of Vermont;

Tom Connally, United States Senator from the State of Texas;

Arthur H. Vandenberg, United States Senator from the State of Michigan;

Mrs. Anna Eleanor Roosevelt, of New York; and

Sol Bloom, a Member of the United States House of Representatives from the State of New York.

The following-named persons to be alternate representatives of the United States to the second part of the first session of the General Assembly of the United Nations to be held in New York City, September 1946:

Charles A. Eaton, a Member of the United States House of Representatives from the State of New Jersey;

Helen Gahagan Douglas, a Member of the United States House of Representatives from the State of California;

John Foster Dulles, of New York; and

Adlai E. Stevenson, of Illinois.

Sundry persons to be Foreign Service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service.

By Mr. MCCARRAN, from the Committee on the Judiciary:

Harry E. Kalodner, of Philadelphia, Pa., to be judge of the United States Circuit Court of Appeals for the Third Circuit, vice Charles Alvin Jones, resigned; and

Donald A. Draughon, of Puerto Rico, to be United States marshal for the district of Puerto Rico.

By Mr. MCCARRAN (for Mr. O'MAHONEY), from the Committee on Public Lands and Surveys:

Mastin G. White, of Texas, to be Solicitor of the Department of the Interior.

By Mr. FERGUSON, from the Committee on the Judiciary:

Theodore Levin, of Michigan, to be United States district judge for the eastern district of Michigan, vice Edward J. Molnet, retired.

By Mr. MURDOCK, from the Committee on the Judiciary:

Dan B. Shields, of Utah, to be United States attorney for the district of Utah.

CONFIRMATION OF FEDERAL TRADE COMMISSION NOMINATION

Mr. BARKLEY. Mr. President, there is only one nomination on the Executive Calendar, namely, that of Edwin Lamar Davis to be a Federal Trade Commissioner. As in executive session, I ask unanimous consent for the confirmation of the nomination; and if it is confirmed, I ask unanimous consent that the President be notified forthwith of the confirmation.

The PRESIDENT pro tempore. The nomination will be stated.

The legislative clerk read the nomination of Edwin Lamar Davis, of Tennessee, to be Federal Trade Commissioner for a term of 7 years from September 26, 1946.

The PRESIDENT pro tempore. Without objection, as in executive session the nomination is confirmed; and, without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon today.

The motion was agreed to; and (at 12 o'clock and 12 minutes a. m.) on Thursday, July 25, 1946, the Senate took a recess until 12 o'clock meridian the same day.

NOMINATIONS

Executive nominations received by the Senate July 24 (legislative day of July 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Louis G. Dreyfus, Jr., of California, now Envoy Extraordinary and Minister Plenipotentiary to Iceland, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Sweden.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Lyde Houston Kelley, Black, Ala., in place of C. A. Austin, resigned.

Alice P. Prowell, Faunsdale, Ala., in place of A. M. Chambers, resigned.

ARIZONA

James N. Caretto, Bisbee, Ariz., in place of John Campbell, retired.

ARKANSAS

Gratia M. Vinson, Armored, Ark. Office became Presidential July 1, 1946.

Thomas A. Morris, Tupelo, Ark. Office became Presidential July 1, 1946.

CALIFORNIA

Esther R. Globin, Al Tahoe, Calif. Office became Presidential July 1, 1946.

Cora A. Richardson, Camp Richardson, Calif. Office became Presidential July 1, 1946.

Maudelene M. Cleveland, Camptonville, Calif. Office became Presidential July 1, 1946.

Dorothy M. Barnes, Cazadero, Calif. Office became Presidential July 1, 1946.

Bettie B. Malcom, Cedar Glen, Calif. Office became Presidential July 1, 1946.

Hazel E. Gill, Costa Mesa, Calif., in place of H. E. Wilcox, removed.

APPROVAL OF HOUSE JOINT RESOLUTION 371

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

HIS APPROVAL OF HOUSE JOINT RESOLUTION 371

JULY 25, 1946.—Referred to the Committee on Banking and Currency and ordered to be printed

To the Congress of the United States:

I have today signed House Joint Resolution 371, amending the price-control laws and extending them for another year. I have signed this measure with reluctance.

I had hoped for a bill under which the Government could with full confidence assure the people that prices would remain generally stable in these last few critical months of the transition to a free economy. This bill falls far short of that hope. I am advised, however, that it is the best bill the Congress will now pass. It is clear, moreover, that it is a better bill than the one I was forced to veto on June 29. If that bill had become law, inflation would have been inevitable. While the present measure by no means guarantees that inflation can be avoided, it offers a sufficient prospect of success to warrant the making of a wholehearted effort to keep our economy on an even keel until a flood of goods makes further controls unnecessary.

The behavior of prices and rents in the last 4 weeks has given the country a frightening foretaste of what would happen to the cost of living without price and rent control. Even though many factors were operating to restrain prices during this period, prices have nevertheless risen steadily and ominously.

The Bureau of Labor Statistics index of 28 basic commodities in the primary markets has shown an increase of 24.8 percent in the 26 days since June 28, 1946, as against an increase of only 13.1 percent in the 3 years and 42 days between the signing of the hold-the-line order on May 17, 1943, and June 28, 1946. Of this increase, only about 2 percent can be attributed to the removal of subsidies. These,

it must be remembered, are prewholesale figures. The impact of the increases has not yet been fully felt by consumers. Retailers have for the most part held to their OPA prices so long as their old inventories lasted.

These increases have occurred in spite of the restraining influences at work to keep prices down. I had requested that the price line be held while the Congress considered the enactment of a workable law. Businessmen hesitated to build up inventories at high prices and thus risk serious loss if prices were rolled back to the June 30 levels. This risk was heightened by the prompt passage in the House of Representatives of a resolution which would restore the June 30 prices and rents. In addition, consumer resistance to increased prices developed immediately.

In view of the alarming rise in prices which took place under these conditions, it is not difficult to predict what would happen if a free market were operating without restraint.

These facts demonstrate that the continuance of effective price control is a vital necessity to our people. There are millions of families for whom a sharp rise in living costs means immediate suffering. There are others who can get along well enough for awhile, but ultimately inflation exacts its toll from all.

The present legislation makes the task of staving off inflation even more difficult than it has been in the past. Clothing prices in particular will be difficult to hold at reasonable levels, and there are some other things that consumers will have to go without, or pay higher ceiling prices for them than they should. It is particularly unfortunate that many of these increases result from concessions to special interest pressures, rather than from the adoption of principles designed to expand production within a stable price structure.

The present bill, despite its inadequacies, is an improvement in many respects over the bill which I vetoed. In my veto message I emphasized the disastrous consequences which would flow from the Taft amendment and its companion the Wherry amendment. These provisions are fundamentally changed in the present bill. A comparison of the two bills demonstrates this fact.

Although its professed objective was to increase production, the Taft amendment would have required prices to be increased for already profitable industries even where no increase in production was possible. While the present bill will require some price increases where there will be no substantial expansion in production, it reduces materially both the number and the size of these increases.

It was mandatory under the Taft amendment to increase prices so that all industries could earn the profits they earned in the year 1941 on every major item they make. This was a year of abnormally high profits. The base for measuring profits under the present bill is the year 1940, in which profits were more nearly representative of normal peacetime operations. At the same time, the use of 1940 margins of profit offers every incentive for full production because 1940 was a highly profitable year.

Another serious deficiency of the Taft amendment is corrected by the present bill. It is obvious that costs go down as volume of production goes up. Yet that amendment would have compelled the Price Administrator to base prices on current costs even though it was perfectly clear that in many industries volume would be increasing so

rapidly that the use of current costs would result in exorbitant prices. The present bill permits adjustments to be made for increases in volume that can be reasonably anticipated to occur within 3 months. This change will cut down substantially the price increases on consumer goods which were out of production during the war.

Another major objection to the Taft amendment was the damage it would have done to compliance and enforcement. OPA has developed uniform dollar-and-cent prices for many important products. This is the most readily understood and easily enforced kind of pricing. Since prices under the Taft amendment were based on each individual manufacturer's own 1941 price, uniform prices could not have been maintained in any case where prices in 1941 varied. The present bill cures this defect. The formula works from the average price for the industry in the base period, and this permits the continuance of enforceable dollar-and-cent prices.

The Wherry amendment would have restored to wholesalers and retailers the percentage mark-ups which prevailed on January 1, 1946. In the months since that time OPA has not passed on to consumers all the increases granted to manufacturers. Instead, the distributors have been required to absorb some of the increases. This was a fair policy because the sales volume was so high that even with reduced mark-ups distributors were generally faring far better than in any recent peacetime year. The present bill gives to distributors the mark-ups which prevailed on March 31, 1946. This change in date means that, without hardships to distributors, consumers are assured of considerably lower prices than would have been required under the Wherry amendment.

Thus, price increases will be far fewer, and those that occur will be far smaller, under the present bill than under the vetoed measure. The saving will be most significant in the basic industries, like steel. Since price increases in basic materials mean price increases in all the industries using those materials, an alarming upward spiral of costs and prices on a wide front seemed inescapable under the vetoed bill. Now there is a sound basis for the hope that such a spiral can be prevented.

Furthermore, by drastically reducing the number and size of required price increases, the present bill minimizes two other dangers inherent in the vetoed bill. First, the administrative burden on the Office of Price Administration, while still serious, is not impossible, as it was under the vetoed measure. Secondly, the danger of widespread interruptions of production while industry is waiting for price increases is materially lessened. Unless, however, the Congress promptly provides OPA with an adequate appropriation there are bound to be serious delays in the granting of required price adjustments. These delays would in turn mean slow-downs in production. And it is maximum production that will hasten the day when price control can safely be abandoned.

Finally, the vetoed bill contained a clause which would have destroyed wage stabilization by requiring the inclusion of unapproved wage increases as costs in the price-increase formula. That clause has been omitted from the present bill. The invaluable work of the Wage Stabilization Board can therefore be continued.

I regret that the Congress did not comply with my request to refrain from compelling administrative changes that will make our task

more difficult. Good government requires that a law be administered consistently in all the fields where it is applicable. Consistency of policy is difficult to achieve when, as in the present bill, the Congress has provided for division of responsibility. I am confident, however, that the Price Administrator and the Secretary of Agriculture will work closely together to maintain unified policies.

I shall proceed promptly to appoint the Price Decontrol Board provided for by this statute. We are all anxious, on the one hand, not to cling to these controls too long and, on the other hand, not to release them too soon. The standards prescribed by the Congress for removing and restoring controls are reasonable standards. As I said in my veto message, I have not been opposed to the creation of an independent board to resolve these difficult questions of timing the removal of controls. I propose to appoint as members of the Board men in whose judgment and fairness the Congress and the country will have complete confidence.

Price control is but one of the means of combating inflation. Under the best of circumstances price control alone could not preserve economic stability. Because of the defects in the present legislation and because of the months of delay in its enactment, it is all the more apparent that more extensive use of the power to allocate scarce materials may be required and that sterner fiscal and monetary measures than would otherwise be called for may prove to be necessary.

In order to bring spendable income more closely in balance with the supply of goods, attention must be given to strong anti-inflationary policies, such as further reduction of Federal expenditures. If, despite such measures, inflation still threatens, consideration must then be given to the formulation of a more vigorous tax policy. Such a tax program would, I realize, be unpalatable at a time when we are doing our utmost to increase production, but if it is the only alternative to the ravages of inflation, we would have no choice.

I pledge the administration to do its full part in this struggle, but it must not be forgotten that the battle against inflation is not the Government's battle alone—it is the people's battle as well. Consumers must vigorously resist exorbitant prices. Black markets cannot be suppressed solely by enforcement measures. Businessmen must, as controls are progressively removed, exercise self-restraint and forego the opportunity for short-run gain from profiteering in favor of the long-run advantage of stable prices and fair profits.

If it appears that all the efforts of the Government and the people will not be enough under the present legislation, I shall have no alternative but to call the Congress back in special session to strengthen the price-control laws and to enact such fiscal and monetary legislation as we need to save us from the threat of economic disaster.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 25, 1946.*



[PUBLIC LAW 548—79TH CONGRESS]

[CHAPTER 671—2D SESSION]

[H. J. Res. 371]

JOINT RESOLUTION

Extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947".

SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947".

SEC. 3. Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section as follows:

"PURPOSES AND POLICIES IN THE TRANSITION PERIOD

"SEC. 1A. (a) OBJECTIVES.—The Congress hereby affirms—

"(1) that because of abnormally excess spending power in relation to the presently available supply of commodities, rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living and costs of production (including labor costs), for the purposes set forth in section 1 of this Act and for the further purposes of protecting the real value of benefits provided by law for veterans and their dependents, of keeping faith with purchasers of United States War Bonds, and of making possible a successful transition to a peacetime economy of maximum employment, production, and purchasing power under a system of free enterprise;

"(2) that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to such a peacetime economy and would tend to repress and prevent the attainment of this and the other goods herein declared; and

"(3) that adequate prices are necessary stimulants to the production thus desired and the expeditious attainment of said goals.

"(b) DECLARATION OF DECONTROL POLICY.—Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provi-

sions of this Act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

“(c) RECOMMENDATIONS BY THE PRESIDENT TO THE CONGRESS.—

(1) As soon as practicable after the enactment of this section and in any event on or before January 15, 1947, the President shall recommend to the Congress such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter.

“(2) On or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this Act as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government (other than the Office of Price Administration) which should be charged with the administration of such powers.

“(d) DECONTROL OF NONAGRICULTURAL COMMODITIES.—(1) On or before December 31, 1946, the Administrator shall decontrol all non-agricultural commodities not important in relation to business costs or living costs, and prior to that date shall proceed with such decontrol as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. In no event shall maximum prices be maintained after December 31, 1946, for any non-agricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

“(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements).

“(3) Whenever, after a reasonable test period, it appears that the supply of a nonagricultural commodity which has been decontrolled is no longer consistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this Act. The supply of a nonagricultural commodity shall be deemed inconsistent with the applicable decontrol standard in any case where the prices of the commodity have risen to and after a reasonable test period remain at unreasonable and inflationary levels.

“(4) Nothing contained in this Act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum or petroleum products processed or manufactured in whole or substantial part from petroleum, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished

pursuant to the provisions of paragraph (3) of this subsection (d), but only under the standards prescribed in paragraph (8) (C) of subsection (e).

“(e) AGRICULTURAL COMMODITIES.—(1) On the first day of the first calendar month which begins more than thirty days after the date of enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which such Secretary determines to be in short supply. Thereafter, on the first day of each succeeding calendar month the Secretary shall certify modifications of such certification by adding other agricultural commodities which have become in short supply and by removing from such certification such commodities which he determines are no longer in short supply. No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than thirty days after the date of enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

“(2) (A) Whenever the Secretary of Agriculture determines that maximum prices applicable to any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity.

“(B) The Secretary of Agriculture by December 31, 1946, shall recommend to the Price Administrator the removal of maximum prices on all agricultural commodities, whether or not in short supply, not important in relation to business costs or living costs, and prior to that date shall make such recommendations as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect.

“(C) Within ten days after the receipt of any recommendation under this subsection for the adjustment of maximum prices applicable to any agricultural commodity, or for the removal of maximum prices on agricultural commodities not important in relation to business costs or living costs, the Price Administrator shall adjust or remove such maximum prices in accordance with such recommendations.

“(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this Act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this Act.

“(4) For the purposes of this section (except subparagraph (6) of this subsection (d))—

“(A) an agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season;

“(B) the term ‘agricultural commodity’ shall be deemed to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity;

“(C) the term ‘subsidy’ means any subsidy or purchase and sale operations described in the last paragraph of section 2 (e) of this Act.

“(5) Notwithstanding any other provision of this or any other law, except as provided in subsection (h), the Secretary of Agriculture, in exercising his functions under this Act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, and no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. The Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under this Act, and upon the withdrawal of his approval such action shall be rescinded.

“(6) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this Act prior to April 1, 1946.

“(7) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable with respect to poultry or eggs or food or feed products processed or manufactured in whole or substantial part therefrom, or in the case of leaf tobacco or tobacco products processed or manufactured in whole or substantial part therefrom, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (e), but only under the standards prescribed in paragraph (8) (C) of this subsection (e).

“(8) (A) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable prior to August 21, 1946, with respect to livestock, milk, or food or feed products processed or manufactured in whole or substantial part from livestock or milk; with respect to cottonseed or soybeans, or food or feed products processed or manufactured in whole or substantial part from cottonseed or soybeans; with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

“(B) The Price Decontrol Board shall proceed forthwith to consider whether the commodities listed in subparagraph (A) shall continue, after August 20, 1946, to be free from regulation under this Act and the Stabilization Act of 1942, as amended. Such Board, after due notice of a public hearing and full opportunity for representatives of affected industries and consumers to present their views orally or in writing, shall have power to determine whether or not any commodity listed in subparagraph (A) shall be

regulated after August 20, 1946, under this Act and the Stabilization Act of 1942, as amended. Such Board shall direct that any such commodity shall not be so regulated unless it finds:

"(i) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946, and

"(ii) that such commodity is in short supply and that its regulation is practicable and enforceable, and

"(iii) that the public interest will be served by such regulation.

If in the case of any commodity listed in subparagraph (A) such Board fails to direct, on or before August 20, 1946, that such commodity shall not be regulated under this Act and the Stabilization Act of 1942, as amended, maximum prices and regulations and orders under such Acts shall be applicable with respect to such commodity without regard to this paragraph (8).

"(C) If in the case of any commodity listed in subparagraph (A) such Board, on or before August 20, 1946, does direct that such commodity shall not be regulated under such Acts, the Board may at any subsequent time direct that such commodity shall be so regulated if it finds:

"(i) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946; and

"(ii) that such commodity is in short supply and that its regulation is practicable and enforceable; and

"(iii) that the public interest will be served by such regulation.

Thereafter, the provisions of such Acts and regulations and orders thereunder shall be applicable with respect to such commodity without regard to this paragraph (8).

"(D) In the case of milk, the Board may consider and determine decontrol or recontrol on a regional basis.

"(9) The Price Decontrol Board shall also have power to determine, when maximum prices are in effect with respect to any commodity listed in paragraph (8) (A), whether any subsidy or any part thereof in effect prior to June 30, 1946, shall be reestablished in whole or in part; and the powers of the Administrator, the Commodity Credit Corporation, and the Reconstruction Finance Corporation to pay subsidies in connection with such commodity shall be limited in accordance with any order of the Board.

"(10) Whenever maximum prices are in effect for any commodity processed or manufactured in whole or substantial part from any commodity listed in paragraph (8) (A) with respect to which maximum prices are not in effect, no maximum price, and no margin, mark-up, or discount, shall be maintained with respect to such processed or manufactured commodity which does not return to the processors, manufacturers, and distributors thereof (A) the raw material cost (which must be computed at least once every sixty days at not less than the current cost), (B) the conversion or distribution cost, and (C) a reasonable profit.

"(f) **SAVING PROVISION.**—Nothing in this section shall limit the Administrator's authority to remove maximum prices for any non-

agricultural commodity, or any agricultural commodity with the approval of the Secretary of Agriculture, at an earlier time than would be required by this section, if in his judgment or in the judgment of the Secretary of Agriculture, as the case may be, such action would be consistent with the purposes of this section.

“(g) PETITIONS FOR DECONTROL.—(1) If in the judgment of the industry advisory committee appointed by the Administrator in accordance with section 2 (a) of this Act to advise and consult with respect to a commodity, the standards set forth in this section require the removal of maximum prices for such commodity, it may file a petition for the removal of such maximum prices. In the case of any nonagricultural commodity, such petition shall be filed with the Administrator in accordance with regulations prescribed by him. In the case of agricultural commodities, such petition shall be filed with the Secretary of Agriculture in accordance with regulations prescribed by him and shall request that he make an appropriate certification or recommendation to the Price Administrator. The petition shall specifically state the grounds upon which the committee believes such action to be required and shall be accompanied by affidavits or other written evidence in support thereof.

“(2) Within fifteen days after receiving a petition filed in accordance with the provisions of this subsection, the Administrator or the Secretary of Agriculture, as the case may be, shall either grant the petition or inform the committee in writing why in his judgment the standards for decontrol stated in subsections (d) and (e) have not been satisfied with respect to the commodity involved. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, shall, within ten days after the receipt of a request by the committee for further consideration of its petition, hold a hearing before himself or before a deputy administrator (or, in the case of the Secretary, before such officer as he may designate) at which the committee may present its argument in support of the petition. The Consumers Advisory Committee and the Labor Advisory Committee appointed by the Administrator shall be given notice of any such hearing and an opportunity to present their views with respect to the petition and may, not later than five days prior to such hearing, present in writing evidence relating thereto. Within fifteen days after such hearing, the Administrator or the Secretary, as the case may be, shall either grant the petition in full or furnish the industry advisory committee with a statement in writing of his reasons for denying it in whole or in part together with a statement of any economic data or other facts of which he has taken official notice in connection with such denial.

“(3) At any time within thirty days after the denial in whole or in part, following a hearing, of a petition filed under this subsection, the petitioning industry advisory committee may petition the Price Decontrol Board established under subsection (h) for a review of the action of the Administrator or the Secretary of Agriculture. If the Administrator or the Secretary, as the case may be, fails to act upon a petition within the time prescribed by paragraph (2), the industry advisory committee may, at any time within thirty days after the expiration of the time so prescribed, petition the Price

Decontrol Board for the removal of maximum prices on the commodity involved.

“(4) Nothing in this section shall be construed to take away or impair any right of any person to protest, in accordance with the provisions of sections 203 and 204 of this Act, the further maintenance of maximum prices for a commodity under the standards of subsection (d) or (e): *Provided*, That the filing of such a protest or of a petition under paragraph 3 of this subsection shall not be grounds for staying any proceeding brought pursuant to section 205 of this Act or section 37 of the Criminal Code, and no retroactive effect shall be given to any judgment setting aside a provision of a regulation, order, or price schedule under the standards set forth in this section.

“(h) PRICE DECONTROL BOARD.—(1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall constitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of \$12,000 a year.

“(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board.

“(3) A petition made under subsection (g) (3) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's or Secretary's reasons for believing that maximum prices on the commodity involved should not be removed, together with a statement of any economic data or other facts of which he has taken official notice. At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary, as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence,

the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing on any petition, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board. Orders of the Board shall not be subject to modification or review by any other department or agency or by any court.

"(4) No petition may be filed with the Board with respect to any commodity within a period of three months after the issuance of an order of the Board with respect to the same commodity.

"(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which is within the jurisdiction of the Board.

"(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it deems proper upon the record or may conduct a new hearing upon the petition before the Board."

SEC. 4. Section 2 (a) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new sentence: "In administering the provisions of this subsection relating to the establishment of industry advisory committees, the Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region."

SEC. 5. Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in the

investment, operation, expenses, and mechanical details of operation between the transient hotels and the residential and apartment hotels, and is directed to classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourists courts, rooming houses, and boarding houses.

"While maximum rents are in effect under this Act with respect to housing accommodations in any defense-rental area, such housing accommodations shall not be subject to rent control by any State or local government."

SEC. 6. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations for the fiscal year ending June 30, 1947, of the Commodity Credit Corporation and the Reconstruction Finance Corporation: *Provided*, That with respect to such corporations and such operations, the making of subsidy payments and buying for resale at a loss shall be limited as follows:

Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

(1) With respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, \$31,000,000.

(2) With respect to copper, lead, and zinc, in the form of premium price payments, \$100,000,000: *Provided*, That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and (i) adjustments shall be made to encourage exploration and development work, (ii) adequate allowances shall be made for depreciation and depletion, and (iii) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, \$869,000,000: *Provided*, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than \$629,000,000 during the last six months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period occurring after the date of the enactment of this Act during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended: *Provided*, That subsidies with respect to petroleum

produced from stripper wells shall be continued at not to exceed the existing rates. No subsidy or purchase and sale operation shall be undertaken under authority of this subparagraph (4) with respect to any commodity unless a subsidy or purchase and sale operation with respect to such commodity was in effect on June 29, 1946; and no such operation shall be undertaken under authority of this subparagraph (4) which will increase the rate of subsidy paid or the rate of loss incurred with respect to any commodity above that which would be paid or incurred if the operations in effect on June 29, 1946, had been continued on the same basis.

(b) When any direct or indirect subsidy to an industry is reduced or terminated, or upon recontrol is not restored or is restored only in part, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies, differential subsidies to high-cost producers, and premium payments under authority of the Veterans' Emergency Housing Act of 1946.

(c) Where roll-back subsidies have previously been or presently are in effect, and have been discontinued, or shall hereafter be discontinued, the industries which have received such subsidies shall be permitted to increase their ceiling prices at least an amount equivalent to the amount of the discontinued roll-back subsidy. Such price increase shall become effective either upon discontinuance of the roll-back subsidy or upon passage of this Act, whichever date is the later. For the purposes of this paragraph, the term "roll-back subsidies" means subsidy payments, or purchases and sales of a commodity at a loss by the Government of the United States (including any Government-owned or controlled corporation), or contracts therefor, which resulted directly or indirectly in the lowering of ceiling prices below the maximum price levels established by the Office of Price Administration prior to the institution of the subsidy payments or purchases and sales at a loss, or the execution of the contracts therefor, whichever date is the earlier.

(d) Nothing in this section shall be construed to affect the provisions of Public Laws 30, 88, 164, and 328 of the Seventy-ninth Congress, or to prevent the use of the sums authorized in such laws to fulfill obligations incurred prior to July 1, 1946, with respect to operations prior to such date.

(e) Notwithstanding any of the foregoing provisions of this section 6, 1946 and 1947 crop program operations with respect to sugar, may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. For the purpose of this section 6, no subsidy program operation on sugar shall be considered to be a new subsidy: *Provided*, That Commodity Credit Corporation or any other Government agency shall not absorb any increase in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946.

(f) Nothing in this section shall be construed as a limitation upon operations authorized by the Veterans' Emergency Housing Act of

1946; and nothing in this Act or in any other Act shall prohibit the establishment of maximum sales prices or maximum rents for housing accommodations for which materials or facilities are allocated, or priorities for delivery thereof issued, under said Veterans' Emergency Housing Act of 1946.

SEC. 7. Section 2 (i) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(i) For the purposes of this Act and the Stabilization Act of 1942, as amended, fish and other sea food shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: *Provided*, That the provisions of section 3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or substantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942."

SEC. 8. Section 2 (j) of the Emergency Price Control Act of 1942, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: "or (5) as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer".

SEC. 9. Section 2 (k) of the Emergency Price Control Act of 1942, as amended, is amended by inserting the words "or any operator of any service establishment" after the words "seller of goods at retail".

SEC. 10. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections:

"(o) No maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity to which no maximum price is applicable with respect to sales to restaurants and other eating establishments, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined, under the applicable maximum price regulation or order, by the addition of a customary margin to the acquisition cost of such item.

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established peacetime retail trade discounts or mark-ups or dealer handling charges for any such commodity

before the retail unit sales of such commodity for a period of six months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

“(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit sales of such commodity for a period of six months shall have reached the average annual wholesale unit sales thereof for the calendar years 1939 to 1941, inclusive.

“(s) No maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity (treating as a single commodity for the purposes of this paragraph all commodities in a line of related commodities which, for the purpose of establishing manufacturers’ and processors’ maximum prices, have been placed by the Office of Price Administration under a single regulation) if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such distributive trade were less than 100 per centum of the deliveries thereof in the corresponding quarter of 1945.

“(t) In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow the average current cost of acquisition of any commodity, plus such average percentage discount or mark-up as was in effect on March 31, 1946.

“(u) After the date upon which this subsection takes effect, no maximum price shall be established or maintained, under this Act or under any other provision of law, with respect to any new commodity when the Administrator upon application finds that its use, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured or processed. As used in this subsection the term ‘new commodity’ means a commodity which was not commercially or industrially available prior to January 30, 1942.

“(v) In the case of softwood logs and lumber, the maximum prices shall be established at a level which will permit producers of at least 90 per centum of the production of softwood logs and lumber to recover their current costs of production.

“(w) In establishing maximum prices for sales of finished woven or knitted fabrics made primarily of cotton fiber or for the sales of apparel made therefrom it shall be unlawful for the Administrator to

establish or maintain differentials in the method of determining the basic grey-goods cost or the finished-woven-fabrics or finished-knitted-fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

“(x) Whenever the world price of a commodity essential to the economy of the United States (average price at which such commodity could be purchased when landed duty paid at any United States port of entry) exceeds the maximum purchase price established by the Administrator, and results in—

“(1) an actual reduction of the importation of such commodity into the United States in an amount substantial in relation to the total consumption of the commodity in the United States; or

“(2) the substantial curtailment or restriction of the domestic trade in such commodity or products processed directly therefrom,

the Administrator shall, in order to maintain and increase domestic production and employment and to make possible the balancing of supply and demand, promptly remove maximum purchase prices from imports of such commodity and maximum prices from products processed directly therefrom, or increase the maximum prices of imports of such commodity and of products processed directly therefrom to the extent necessary to prevent such reduction in importation or curtailment of domestic trade.”

SEC. 11. The Emergency Price Control Act of 1942, as amended, is amended by inserting after section 5 thereof the following new section:

“SEC. 6. (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry’s fiscal year 1940.

“(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry (including any industry furnishing service or transportation the charges for which are subject to the Administrator’s control) which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry’s average over-all profit margin on sales in the base period.

“(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including adjustments for temporary cost abnormalities which may be reasonably anticipated to be eliminated within the three months following the Administrator’s determination, and adjustments for increases in the volume of production which may be reason-

ably anticipated to be experienced within such three-month period.

“(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

“(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this Act.

“(f) If the maximum prices of a product on the average equal its average current total cost plus a reasonable profit, nothing herein shall require any further adjustment of such maximum prices for any period with respect to which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

“(g) As used in this section, ‘product’ shall mean any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or article shall be considered as one product.

“(h) The provisions of this section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

“(i) Nothing in this section shall be construed to require any adjustment in maximum prices except pursuant to an application filed under this paragraph, or be construed to invalidate any maximum price unless there is a failure to make adjustments, in accordance with the procedure prescribed in this paragraph, to such extent as may be required to comply with the standards set forth in this section. Any industry advisory committee may apply to the Administrator for the adjustment of the maximum prices applicable to any product in accordance with the standards set forth in this section, and shall present with the application comprehensive evidence with respect to costs and prices. The Administrator shall consider the evidence so presented and all evidence otherwise available to him and, within sixty days after the receipt of such application, he shall make the adjustments in maximum prices required by this section, or, if he finds that no such adjustments are required, he shall deny the application. If the Administrator neither makes the adjustments in the maximum prices for any product required by this section, nor denies the application for such adjustments, within the sixty-day period prescribed in this paragraph, the industry advisory committee concerned may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to make such adjustments or deny such application within such time, not to exceed thirty days, as may be fixed by the court. If the Administrator fails to make such adjustments or deny such application within the time so fixed, no maximum price shall thereafter be applicable with respect to any sale of such product by any seller.”

SEC. 12. (a) The second sentence of section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: “In any action under this subsection, the seller shall be liable for reasonable attorney’s fees and costs as determined by the

court, plus whichever of the following sums is greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than \$25 nor more than \$50, as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation."

(b) Section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"The Administrator may not institute any action under this subsection on behalf of the United States, or, if such action has been instituted, the Administrator shall withdraw the same—

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration; or

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, or to any public housing authority whose operations are supervised or financed in whole or in part by any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"The Administrator shall not institute or maintain any enforcement action under this subsection against any manufacturer of apparel items where the Administrator shall determine (1) that the transactions on which such proceeding is based consisted of the manufacturer's selling such an item at his published March 1942 price list prices instead of his March 1942 delivered prices, and (2) that the seller's customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices. The Administrator's determinations under this paragraph shall be subject to review by the Emergency Court of Appeals in accordance with sections 203 and 204."

SEC. 13. The third sentence of paragraph (2) of section 205 (f) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no suspension shall be for a period of more than twelve months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable

precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed."

SEC. 14. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive)."

SEC. 15. The Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is hereby authorized to allocate feed which he controls to feeders of livestock and poultry in domestic areas which he may determine to be in an emergency shortage condition with respect to animal and poultry feed.

SEC. 16. (a) In the event producers of wheat are required by an order issued pursuant to the Second War Powers Act, 1942, as amended, to sell all or any part of wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat so required to be sold at a price determined as follows: The purchase price paid for the wheat shall be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947, inclusive: *Provided, however,* That only one election may be made for each lot of wheat: *And provided further,* That the producer may not elect a date prior to the date on which he mails a written notice to Commodity Credit Corporation of his election. In the event the producer does not notify Commodity Credit Corporation in writing by March 31, 1947, of his election of a date for determining the market price, such date shall be deemed to be March 31, 1947.

(b) Any producer of wheat who, prior to the date of enactment of this Act, has sold any wheat pursuant to the requirements of paragraph (ee) (1) of War Food Order Numbered 144, may, at any time within thirty days after the date of enactment of this Act, pay to the Commodity Credit Corporation a sum equal to the amount for which he sold such wheat. Any producer paying any such sum to the Commodity Credit Corporation shall be deemed to have sold and delivered to the Commodity Credit Corporation as of the date he pays such sum a quantity of wheat equal in grade and quality to the quantity sold by him pursuant to such requirements and the purchase price to be paid to him for such wheat shall be determined in the same manner as in the case of a sale of wheat to the Commodity Credit Corporation pursuant to the provisions of subsection (a) of this section.

SEC. 17. This Act may be cited as the "Price Control Extension Act of 1946."

SEC. 18. (1) The provisions of this Act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended (except regulations or requirements under section 2 (e) thereof relating to meat, flour, or coffee), and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this Act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this Act had been enacted on June 30, 1946: *Provided*, That in any case in which the Emergency Price Control Act of 1942, as amended (except sections 204 and 205), or the Stabilization Act of 1942, as amended (except sections 8 and 9), or any regulation, order, or requirement under either of such Acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this Act, both inclusive: *Provided further*, That no act or transaction, or omission or failure to act, occurring subsequent to June 30, 1946, and prior to the date of enactment of this Act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such Acts: *Provided further*, That insofar as the provisions of this Act require the Administrator to make any change in any maximum price, such provisions shall not be deemed to require such change to be made before the thirtieth day following the date of enactment of this Act.

Approved July 25, 1946.

